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The Rise and Rise of the New Public Management

by

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A thesis submitted in partial fulfilment of the requirements for the degree
of Doctor of Philosophy in Management

The University of Warwick, Warwick Business School

June 2000

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ACKNOWLEDGEMENTS

I am grateful to many people and organisations for their assistance in the development of this thesis.

In particular, I am grateful to Professor Andrew Pettigrew (Warwick Business School) and Professor Ewan Ferlie (Imperial College Management School) for their guidance during the research process, for their comments on earlier drafts of the thesis and for their support in general. Extra thanks go to Andrew for being “the Pilot that weathered the storm.” (George Canning, former Prime Minister [1827], song for the inauguration of the Pitt Club [1802]), especially during my less lucid moments: “O! what men dare do! what men may do! what men daily do, not knowing what they do!” (Shakespeare, *Much Ado About Nothing*, IV.i.19).

I am also grateful to the local housing authorities which sent me documentary data, especially the twelve authorities which became the sample used in the two mapping studies. I am indebted to Trafford and Westminster because they granted me access to conduct case study work when other authorities hesitated.

In addition, I am grateful to the ESRC, Warwick Business School and the Centre for Creativity, Strategy and Change (a research centre within Warwick Business School) for funding the majority of the research.

Finally, special thanks go to Rachel Griffiths, especially for her technical knowledge which improved the presentation of the figures.

DECLARATION

This thesis is the researcher's own work.

None of the material contained in the thesis has been used before, either in a prior thesis or by being published before the beginning of the researcher's period of study.

The thesis has not been submitted for a degree at another university.

An earlier draft of the thesis was summarised as a formal paper to a conference and a seminar.

Formal paper to a conference and a seminar

Butler, M.J.R. (1999) 'The New Public Management – A Sickly Child: Empirically Mapping And Explaining Variation In NPM Diffusion'. Unpublished paper presented at 'The Third International Research Symposium On Public Management: The New Public Management – Dead Or Alive?', Aston University, UK, 25-6 March. Represented for the ESRC Series 'Recent Developments In The NPM', Imperial College, UK, 24 May 1999.

ABSTRACT

Since the 1970s a variety of changes have taken place in public service organisation and management. From the 1940s to the late 1970s the markets gave way to the state, in the 1980s and early 1990s the state almost gave way to the markets and at the turn of the century a Third Way is emerging characterised by public/private partnerships. In response to the variety of changes that have taken place, Hood (1991) made one of the first references to a new phrase, the 'New Public Management' (NPM), to label the changes. The central theme of this research is to characterise, map and explain the rise and rise of the NPM.

This research overcame the central problem of the NPM – its characterisation, especially at the theoretical level of analysis. Different NPM typologies have arisen in which different NPM types may have taken on a 'spurious concreteness'. By this it is meant that scholars presuppose that the NPM exists and that their typologies have real meaning and empirical significance. This research has followed Barberis' (1998) advice and looked at the sharp end – the NPM in practice.

This was achieved by the selection of a triple methodology which was applied to council housing management. The triple methodology refers to the selection of an appropriate research method at three levels of change, the macro (environment), meso (public service) and micro (organisation) levels. At the macro level the NPM and CCT literatures were reviewed, at the meso level two mapping studies were carried out and at the micro level case study work was conducted. CCT is linked to the NPM because it is one type of welfare privatisation (Wilson and Doig, 1995).

Contained within the central theme of this research are five key issues: systematising NPM understanding, linking NPM characterisation to mapping and explaining NPM diffusion, improving understanding about quasi-market development, critically evaluating the NPM's impact and testing generalisability. The five key issues are significant because they conceptually, methodologically and empirically contribute to the development of public management. There are wider methodological and empirical contributions.

Systematising NPM understanding is achieved by reviewing the NPM literature to conceptually classify existing NPM work. Linking NPM characterisation to mapping and explaining NPM diffusion is achieved through the methodological innovation of developing a NPM typology. The NPM typology is used to empirically reveal that the NPM exists and to map and explain variation in its diffusion. Variation is explained in terms of receptivity factors (Pettigrew, Ferlie and McKee, 1992). Improving understanding about quasi-market development is achieved by updating work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability. A quasi-market is still emerging. There are cost reductions but at the price of worsening working conditions and the risk of reducing quality of service. Although there is political control and accountability at the organisation level, there is too much service user participation with too little effect. This empirical work critically evaluated the NPM's impact. Generalisability is evidenced by successfully applying the ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) to local authority housing.

ABBREVIATIONS

BBC	British Broadcasting Corporation
BSC	Building Stable Communities
CBI	Confederation of British Industry
CCT	Compulsory Competitive Tendering
CDS	Co-operative Development Services
CHS	Co-operative Housing Services
CIPFA	Chartered Institute of Public Finance and Accountancy
DC	District Council
DETR	Department of the Environment, Transport and the Regions
DHSS	Department of Health and Social Security
DMT	Departmental Management Team
DoE	Department of the Environment
DSO	Direct Service Organisation
ESRC	Economic and Social Research Council
FMI	Financial Management Initiative
GDP	Gross Domestic Product
GGE	General Government Expenditure
GLC	Greater London Council
GP	General Practitioner
HB	Housing Benefit
HIP	Housing Improvement Programme
HM	Her Majesty's
HMCCT	Housing Management Compulsory Competitive Tendering
HMSO	Her Majesty's Stationary Office
IMF	International Monetary Fund
LGMB	Local Government Management Board
MDC	Metropolitan District Council
NHS	National Health Service
NPM	New Public Management
OECD	Organisation for Economic Co-operation and Development
Old PM	Old Public Management
PFI	Private Finance Initiative
PI	Performance Indicator
RSL	Registered Social Landlord
UK	United Kingdom
US	United States
VCT	Voluntary Competitive Tendering
WEAG	Walterton and Elgin Action Group
WECH	Walterton and Elgin Community Homes
WMS	Westminster Management Services

CHAPTER 1

INTRODUCTION

“Afoot and light-hearted I take to the open road,
Healthy, free, the world before me.”

Walt Whitman: Song of the Open Road

Introduction

The purpose of this chapter is to outline the scope of the research topic. In other words, using Walt Whitman’s metaphor, the open road of the research process is before the reader and its central theme needs to be introduced. The chapter is divided into three sections. First, it will introduce the central theme of this research – characterising, mapping and explaining the rise and rise of the NPM. Second, it will emphasise the significance of this research. Third and last, it will identify the purpose of each chapter – the plan of the thesis.

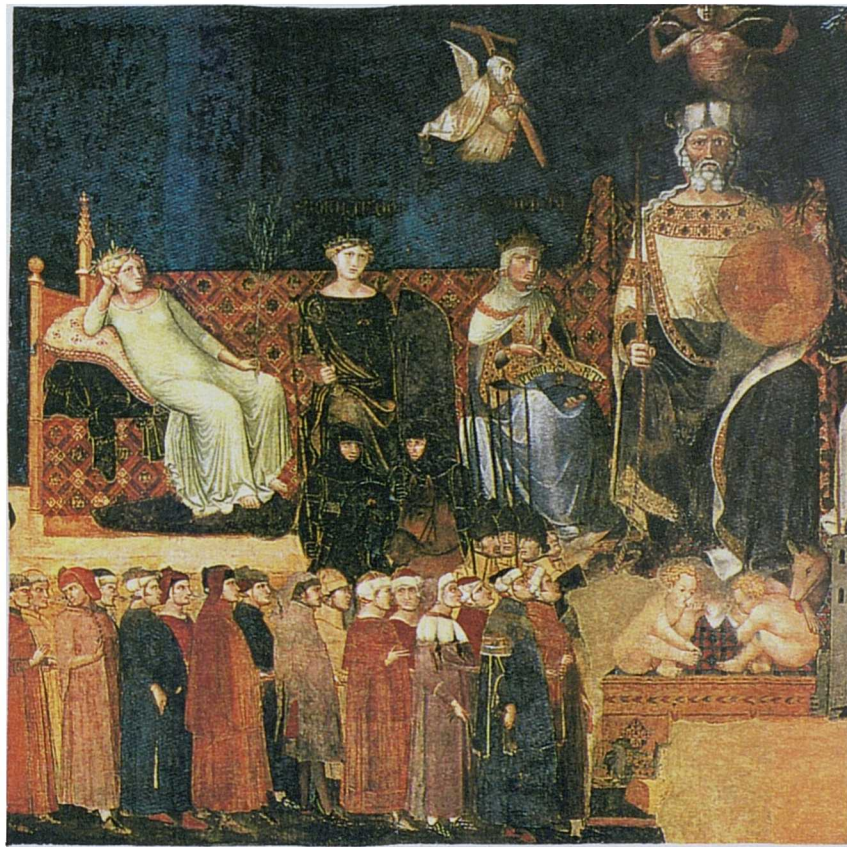
Characterising, mapping and explaining the rise and rise of the NPM

Before introducing the central theme of this research, it needs to be placed in context. This research interconnects three contemporary themes: governance, variation and continuity. These themes are drawn inductively from this research and are used to analyse, at the meta-level, the research findings. In particular, the research findings are related to the themes in the concluding remarks of each chapter.

The three contemporary themes can be symbolised by three pictures: governance by Ambrogio Lorenzetti’s ‘Allegory of Good Government’ (c. 1338-40), variation by

Raphael's 'The School of Athens' (1508-11) and continuity by Edward Steichen's photograph of Charlie Chaplin (1931). In Lorenzetti's 'Allegory of Good Government' (Illustration 1), Good Government is inspired through its personification who sits on a throne as a judge, attended on the left by Peace reclining on a suit of armour. Governance is an ideal delivered through justice and has the reward of social cohesion.

Illustration 1: Ambrogio Lorenzetti – Allegory of Good Government (c. 1338-40)



In Raphael's 'The School of Athens' (Illustration 2), Aristotle and Plato discuss governance – Aristotle points out from the picture to emphasise humanity, whilst Plato points up to emphasise divinity. Governance can be delivered in a variety of ways.

Illustration 2: Raphael – The School of Athens (1508-11)



In Steichen's photograph of Charlie Chaplin (Illustration 3), the juxtaposition of Charlie Chaplin's portrait with his shadow emphasises that several processes can coexist – there is the real person and the screen image. Although governance can be delivered in a variety of ways, there is also some continuity of existing organisational structures and management systems.

Illustration 3: Edward Steichen – Charlie Chaplin (1931)



Developing these themes, governance is defined by society, welfare and justice, variation by management and continuity by modernisation. Governance is defined by society because it concerns “the body of institutions and relationships within which a relatively large group of people live” and “the condition in which such institutions and relationships are formed.” (Williams, 1976, 1988 edition, p291).

Governance is also defined by welfare because it concerns a key body of institutions, those concerned with “organized care or provision” (ibid, p333) – the welfare state. In the 1880s social insurance was introduced in Germany and before 1914 in the United Kingdom (UK). In the UK the Labour government of 1945-50 adopted the first comprehensive scheme. It introduced family allowances, national insurance, the National Health Service (NHS), pensions and local authority housing (Titmus, 1958, 1976 edition). Similar provision is made by the state in many other countries. In the UK these new institutions introduced new phrases, for example, “welfare-manager” (1904) and the “Welfare State” (1939) (Williams, 1976, 1988 edition, p333). These new phrases replaced older words, especially charity, and their associated institutions which had acquired unacceptable associations.

In addition, governance is defined by justice because the welfare state “minimise[s] undeserved suffering” by “recompose[ing] their [service users] flagrantly unjust pasts into discernibly juster futures.” (Dunn, 1999, p25). Justice concerns equal opportunities – giving people the choice to live out their lives as they please and to do so irrespective of who they are and where in society they are born (Rawls, 1971).

Governance, however, can be delivered in a variety of ways. Variation is defined by management because it establishes “a particular version of social and economic relations.” (Williams, 1976, 1988 edition, p189). There is a variety of possible patterns of production and distribution. The selection of a pattern requires some measure and, as a consequence, a value judgement is made. This is implicit in most decisions that a government makes, though it is rarely explicitly specified. (Bonner, 1986.) Rawls (1993) recognises this variation by modifying his earlier definition of justice. He acknowledges that politics affects the implementation of justice – pluralism of viewpoint creates variation in implementation.

Variation is an important theme. In the fourth of his five Royal Institution Christmas lectures, Johnson (1999) explores the tension between ‘order’ and ‘chaos’. He argues that “for a long time after Newton, people thought that everything in the Universe was ... predictable. But the Second Law of Thermodynamics put a bit of a spanner in the works of the clockwork universe. Everything ... must gradually become more disordered.” (ibid, p1). He relates this tension to people through two systems: traffic and the financial markets. In both systems, out of seemingly unpredictable behaviour, emerges patterns of self-organisation. They emerge because people have some memory of the past and tend to make decisions based on past success.

Charles Darwin (1859, 1979 edition) also famously explored variation. He stated: “In considering the Origin of Species, it is quite conceivable that a naturalist ... might come to the conclusion that each species had not been independently created, but had descended, like varieties, from other species.” (ibid, p66). He went further and argued that

recognising, mapping and explaining variation becomes a key task. He continued: “It is, therefore, of the highest importance to gain clear insight into the means of modification and coadaptation.” (ibid, p67). Heller’s (1952, 1961 edition) description of the sixteenth century theological debate between Martin Luther and Ulrich Zwingli is apt because it also acknowledges that investigating variation is a key task. Heller states: “To the modern lay-mind their debate may seem like mere scholastic hair-splitting, but history would suggest that it was more like Samson’s hair-cut.” (ibid, p229).

Although governance can be delivered in a variety of ways, there is also some continuity of existing organisational structures and management systems. Continuity is defined by modernisation because in the twentieth century it indicates “something unquestionably favourable or desirable” and implies “some local alteration or improvement of what is still, basically, an old institution or system.” (Williams, 1976, 1988 edition, p209). The growth of the welfare state is an example of modernisation because in the wake of industrialisation there was a need to look after the poor (Rostow, 1971). It is also an example of modernisation because it is now politically unacceptable to replace the welfare state, but it can be improved. Two recent instances of change are John Major’s introduction of the Citizen’s Charter (Her Majesty’s Stationary Office [HMSO], 1991) and Tony Blair’s modernisation of local government (Department of the Environment (DoE), 1998a and b).

The three contemporary themes are related to the central theme of this research because since the 1970s a variety of changes have taken place in public service organisation and management. Ferlie (1999) succinctly characterises these changes:

“From the 1940s to the late 1970s, we used to think that markets would give way to the State; in the 1980s and early 1990s, we thought that the State would give way to the markets. Now the current talk is of the ‘Third Way’, ‘modernisation’ and of public/private partnerships in a way which humanises but does not in my view fundamentally challenge the radical shifts of the 1980s.” (p2).

Dunn (1999) provocatively maps and explains these changes:

“On the evidence of the past 25 years, and by no means solely in North America, it seems clear that the citizenry of modern democratic polities will not decide to affirm together justice as fairness in the core distributive politics of their regime, whether because of more or less superstitious or confused beliefs about economic causality or because of congenial meanness.” (p25).

There is a struggle over how justice is defined – it is less a matter of redistributing others’ wealth (Rawls, 1971) and more a matter of creating individual wealth (Hayek, 1967). This struggle over ideas becomes a struggle in organisations through the coexistence and the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998).

To give a practical example of how governance is changing, in 2000 there was “the biggest and most high-profile privatisation in the history of state education.” (Smithers, 2000, p9). In the first contract of its kind, most of Islington’s local education services (inspection, payroll and special educational needs) have been out-sourced to the private firm Cambridge Education Associates. Relating this change to the struggle over ideas, the individual right of Islington to organise and manage its education service in the way that it wants has taken primacy over the principle of providing uniform local authority services. This reduces the capability of governments to directly control the distribution of public expenditure. Islington is sensitive to the change because it has downplayed privatisation by stressing that neither the schools nor their services have been privatised.

Within the change, however, there is also continuity. Liverpool might have been the first privatisation. It avoided privatisation because it seconded a new Chief Education Officer who transformed the service – contracting out was abandoned. (Carvel, 2000, p8.)

In response to the variety of changes that have taken place in public service organisation and management, Hood (1991) made one of the first references to a new phrase, the 'New Public Management' (NPM), to label the changes. The central theme of this research, then, is to characterise, map and explain the rise and rise of the NPM. Contained within the theme are five key issues: systematising NPM understanding, linking NPM characterisation to mapping and explaining NPM diffusion, improving understanding about quasi-market development, critically evaluating the NPM's impact and testing generalisability.

Significance of this research

The significance of this research lies in addressing the three contemporary themes, the five key issues and their conceptual, methodological and empirical contributions. The three contemporary themes are significant because they add a human dimension to this research. The NPM is worthy of continued, increasing and the highest quality of research attention because:

“Such public sector organisations as schools, universities, hospitals, general practice and prisons continue to influence the level of social cohesion, the human capital base and our quality of life ... It will not always be easy to tell the truth to or about power, but this the ultimate and noble purpose of study and research into the field of the New Public Management.” (Ferlie, 1999, pp 26-7).

In other words: “what is good for impoverished and demoralised communities is ultimately good for all of us.” (Dobson, 1999, p3).

The five key issues are significant because they conceptually, methodologically and empirically contribute to the development of public management. Systematising NPM understanding and starting the process of NPM theory-building is achieved by reviewing the NPM literature to classify existing NPM work. This is conceptual 'groundclearing'.

Linking NPM characterisation to mapping and explaining NPM diffusion is achieved through the methodological innovation of developing a NPM typology which reflects the coexistence and the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998). The NPM typology is used to empirically reveal that the NPM exists and to map and explain variation in its diffusion. Variation in NPM diffusion (different paces and depths of change) is explained in terms of receptivity factors (Pettigrew, Ferlie and McKee, 1992).

Improving understanding about quasi-market development is achieved by updating work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability. A quasi-market is still emerging. There are cost reductions but at the price of worsening working conditions and the risk of reducing quality of service. Although there is political control and accountability at the organisation level, there is too much service user participation with too little effect.

Mapping and explaining variation in NPM diffusion and improving understanding about quasi-market development critically evaluated the NPM's impact. Generalisability is

evidenced by successfully applying the ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) to local authority housing.

There are wider methodological and empirical contributions. There are two other methodological contributions: using discourse to empirically map and explain variation in NPM diffusion and addressing the interplay of organisational context and action. Using discourse to empirically map and explain variation in NPM diffusion is innovative because discourse is an underdeveloped research method within generic organisational theory, especially as a method for revealing invisible ideas maps. Addressing the interplay of organisational context and action is consistent with recent developments in generic organisational theory which have overcome the polarisation of perspectives (Greenwood and Hinings, 1996 and Pettigrew, 1997). Until recently, there was a polarisation of perspectives, with scholars emphasising either environmental determinism (Powell and Di Maggio, 1991 and Kitchener, 1998) or executive action (Child, 1972). Addressing the interplay of context and action facilitates explaining different paces and depths of change across different localities despite the same content of change (Pettigrew, Ferlie and McKee, 1992 and Greenwood and Hinings, 1996).

There may be empirical contributions to two other fields of study: social and generic organisational theory. Existing social theory is confirmed by empirically revealing that local authority housing and, by implication, society in general, are dynamic – there is the coexistence and the fall and rise of managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Generic organisational theory is contributed to by empirically revealing that there

is variation (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) and not isomorphism (Powell and Di Maggio, 1991 and Kitchener, 1998) in public service organisation and management. It is also developed by empirically revealing that discourse is a strategy for shaping strategic change – it creates the invisible NPM ideas map.

Plan of the thesis

The plan of the thesis is determined by the logic of needing one piece of information in order to find another: the first pieces are found theoretically at the macro (environment) level, the middle pieces empirically at the meso (public service) and micro (organisation) levels and the last pieces theoretically at all levels. This is similar to archaeological and geological methodology. The linking methodological principle is stratigraphy – one level is superimposed on another. In archaeology and geology the different levels represent different time levels – the most recent are at the top. (Fagan, 1978.) Because the time frames in organisations are relatively short, measured in decades not millennia, the different levels represent theoretical and empirical motors of and barriers to change (Pettigrew, 1990 and 1997).

Chapters Two and Three will at the macro level through two literature reviews theoretically characterise the NPM and identify research themes and critical questions. Chapter Two is the NPM literature review. It will locate the origins, track the diffusion and critically evaluate the impact of the NPM – its rise and rise. Chapter Three is a CCT literature review. It will focus the NPM discussion by highlighting one key stream of NPM strategic activity – privatisation through the implementation of Compulsory Competitive Tendering (CCT). It will sketch a panoramic picture of privatisation and then

draw in the detail of CCT implementation. It introduces Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change as a means of explaining variation in CCT implementation and NPM diffusion. It also introduces the specific issues which will be addressed to improve understanding about quasi-market development: quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

Chapter Four will discuss the choice of research design – the selection of a triple methodology which was applied to council housing management in the UK and, in particular, England. More specifically, this chapter presents the NPM typology – it discusses the meaning of 'typology', the assumption underlying the typology and how the typology was operationalised.

Chapter Five will at the meso level through two mapping studies empirically map and in part explain variation in NPM diffusion. The second and supporting mapping study will also track the diffusion of a NPM discourse in order to corroborate the results of the first and main study. In addition, the second study will also contribute to the citizen/customer debate by empirically mapping and explaining variation in the diffusion of the two citizenship concepts. In other words, the chapter is revealing an invisible ideas map.

Chapters Six and Seven will at the micro level through two case studies empirically confirm the results of the two mapping studies by demonstrating variation even in two Conservative authorities, explain variation in NPM diffusion in greater detail and improve understanding about quasi-market development. Chapter Six will describe and analyse the

case study work in Trafford – the low change non-receptive context for the NPM. Chapter Seven will describe and analyse the case study work in Westminster – the high change receptive context for the NPM.

Chapters Eight and Nine will move from the empirical and back to theoretical interpretation. Chapter Eight will explain variation in NPM diffusion and improve understanding about quasi-market development. In other words, the reasons for there being different tracks of change are explored. Finally, Chapter Nine will summarise the conceptual, methodological and empirical contributions of this research.

CHAPTER 2

NPM LITERATURE REVIEW – THE ORIGINS, DIFFUSION AND IMPACT OF THE NPM

“In this best of all possible worlds.”

Voltaire: *Candide*

Introduction

The purpose of Chapters Two and Three is at the macro (environment) level through two literature reviews to theoretically characterise the NPM and identify research themes and critical questions. This chapter is the NPM literature review. The purpose of the chapter is to locate the origins, track the diffusion and critically evaluate the impact of the NPM – its rise and rise. Although the chapter takes an international perspective, when the impact of the NPM is critically evaluated it will focus on UK macro level social policy and public expenditure.

In Chapter One (pp 7-8) it was noted that Ferlie (1999) succinctly characterises the variety of changes that have taken place in public service organisation and management since the 1970s. From the 1940s to the late 1970s the markets gave way to the state, in the 1980s and early 1990s the state almost gave way to the markets and at the turn of the century a Third Way is emerging characterised by public/private partnerships. Dunleavy and Massey (1995) discuss the late 1970s and early 1980s watershed by distinguishing between certainty and uncertainty:

“It is this sense of certainty and the notion of social advance through public provision which has gone in the succeeding twenty-five years ... There are several ways forward.” (pp 1-2).

The chapter argues, using Voltaire's metaphor, that in all phases there was perhaps an uncritical belief in this best of all possible worlds. Without it there would not be radical shifts in ideologies about public service organisation and management, social policy and public expenditure and there would be, as Eddie McAteer, a veteran nationalist politician, observes "prisoners of history" (quoted in Kee, 1981, p248).

Uncritical belief raises the problem of NPM characterisation, especially at the theoretical level of analysis. Different NPM typologies have arisen in which different NPM types may have taken on a 'spurious concreteness'. By this it is meant that scholars presuppose that the NPM exists and that their typologies have real meaning and empirical significance. Such presupposition may be accurate, but caution is needed and further empirical research required. Like Ferlie (1999), Barberis (1998) succinctly gets to the heart of the matter in his discussion about accountability:

"if the NPM poses new problems or if it simply magnifies existing formalities in the system of accountability then it must be taken seriously. It represents something wider and deeper and is unlikely to go away. But even this acknowledgement does not establish exactly what implications it has for accountability. To do so it is necessary to look at the sharp end: NPM in practice." (p456).

The chapter is divided into six sections. First, it will define the terms of reference by characterising the NPM and interpret it as the coexistence and the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998). (Chapter Four [pp 94-146] operationalises the NPM characterisation.) Second, it will locate the NPM's origins by developing three notions (the pre NPM phase, the Old Public Management [Old PM] and proto-NPM) and tracking its UK diffusion. Third, it will explain the NPM's emergence and track its international diffusion in countries forming the Organisation for Economic Co-operation and

Development (OECD). Fourth, it will critically evaluate the NPM's impact on UK macro level social policy. Fifth, it will critically evaluate the NPM's impact on UK macro level public expenditure by analysing four trends: spending, international comparisons, staffing and New Labour activity. Sixth and last, it will conclude by identifying research themes and critical questions.

Defining the terms of reference by characterising the NPM

Familiarity, controversy and an emerging field of study

One of the first references to the NPM label came in 1991 when Hood (1991) already hailed its significance:

“The rise of the ‘new public management’ over the past 15 years is one of the most striking trends in public administration.” (p3).

By 1994 he described it as “the now familiar idea” (Dunleavy and Hood, 1994, p9), but he also admitted it “is controversial” (ibid). This is because

“It is used mainly as a handy shorthand, a summary description of a way of reorganizing public sector bodies to bring their management, reporting, and accounting approaches closer to (a particular perception of) business methods.” (ibid).

In 2000 the NPM is even more familiar, still controversial and only an emerging field of study. Two pieces of evidence confirm its tentative analytical value: a literature search and discourse analysis (vocabulary selection). First, a literature search of fourteen social policy journals covering 1996, 1997 and 1998 revealed that out of one hundred and forty-eight issue numbers there were only seventeen articles containing the ‘NPM’ label in either the title or the abstract. Indeed, of the seventeen articles six were in the same issue number because the journal was highlighting a NPM symposium (Public Administration Review, 1998). (Chapter Four [Figure 4.1, p103] identifies the journals.) Second, the

NPM label is in struggle with other labels describing similar contexts, contents and processes of change: reinvention (Osborne and Gaebler, 1992), managerialism (Sanderson, 1998), post-Fordism (Burrows and Loader, 1994), retrenchment (Myles, 1998) and stakeholding (Thomas and Palfrey, 1996). This process of emergence has led Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) to caution:

“sometimes the new public management seems like an empty canvass: you can paint on it whatever you like. There is no clear or agreed definition of what the new public management actually is and not only is there controversy about what is, or what is in the process of becoming, but also what ought to be.” (p10).

This NPM characterisation will discuss three generic approaches, clarify the important role of the private sector by focusing on policy separation and critique policy separation which is promoting a democratic discourse. In doing so it will acknowledge the NPM’s international trend (Hood, 1995a and b), indicating “that something significant has been happening.” (Barberis, 1998, p456).

Three generic approaches

Approach 1 – four NPM types

The three generic approaches capture the notion that the process of organisational life can be interpreted as a dynamic and constant struggle between networks of members representing different managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). The notion has been applied to the NPM as a whole by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) and to specific characteristics by other scholars. Stewart (1995), for example, acknowledges that public services have undergone “deep transformations” (p267)

reflecting “the new ideology” (ibid, p3 and Pollitt, 1990, 1993 edition, pp 6-10) of the market (Conservative Party, 1992).

The first approach identifies four NPM types, the second eight types and the third is an imprecise catch-all code for change. Independently scholars in the UK and the United States (US) have identified four NPM types. In the UK Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) argue that:

“At least four new public management models can be discerned and while each of them represents a move away from traditional public administration models, they also contain important differences and distinctive features. A contest for interpretation is apparent ... and the degree of influence they achieve in the field may wax and wane over time.” (p10).

The four NPM Models are: “1: The Efficiency Drive” (ibid), “2: Downsizing and Decentralization” (ibid, p12), “3: In Search of Excellence” (ibid, p13) and “4: Public Service Orientation” (ibid, p14). NPM Model 2 also includes “management by contract” (ibid, p13). Walker (1998) examines empirically this NPM characterisation in a single case study of a housing association and concludes:

“Evidence presented here also suggests that they [housing associations] have more in common with new public management models associated with the private sector and display fewer public sector characteristics.” (p84).

In the US Terry (1998) also identifies four NPM types or “approaches” (p194): “quantitative/analytic management, political management, liberation management, and market-driven management.” (ibid). Remarkably, his approaches overlap with Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) models:

- NPM Model 1 (the efficiency drive) equates to quantitative/analytic management
- NPM Model 2 (downsizing and decentralisation) equates to market-driven management
- NPM Model 3 (in search of excellence) equates to liberation management

- NPM Model 4 (public service orientation) equates to political management

The third overlap is a tight fit (both titles draw on Tom Peters' work (1982, 1993 edition [with Waterman] and 1992, 1993 edition), whilst the last is not. NPM Model 4 stresses accountability: "reliance on user voice rather than customer exit ... a desire to shift power back from appointed to elected local bodies" (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p15). Political management stresses the interlocking of policy formulation and implementation at the politician/senior manager interface: "This approach rejects outright the political/administration dichotomy. It assumes that public managers have a legitimate right to exercise political power in the policy making process." (Terry, 1998, p195). In recent US public service literature public administrators become public managers (ibid; Behn, 1998; Cook, 1998; Kaboolian, 1998; Kelly, 1998; Khademian, 1998 and Lynn, 1998).

Approach 2 – eight NPM types

Independently European scholars have identified eight NPM types. In the UK Salter (1998) draws on Rose (1993) and discusses the NHS, whilst in Sweden Rothstein (1998) draws on Lundqvist (1991), Montin (1992) and Le Grand and Bartlett (1993a) and he discusses Sweden's universal welfare state. They have linked the NPM to types of welfare citizenship and identified eight models of welfare delivery. Figure 2.1 specifies the eight models of welfare citizenship and delivery.

Figure 2.1: Eight models of welfare citizenship and delivery

Model	Finance	Provision	Regulation
1	State	State	State
2	State	State	Private
3	State	Private	State
4	State	Private	Private
5	Private	State	State
6	Private	Private	State
7	Private	State	Private
8	Private	Private	Private

Sources: Salter (1998, p41) and Rothstein (1998, p205)

Taking the example of local authority housing, where welfare citizenship and delivery is widely debated, Model 1 represents a more traditional view, whilst Model 8 represents its ideological extreme. Model 1 views service users as citizens who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996). It is based on tenant participation, including vulnerable groups of people (the disabled, the elderly and the young), supported by staff with the appropriate skills and knowledge and local councillors (Clapham, Dix and Griffiths, 1996 and Inside Housing, 1996). Model 8 views service users as customers who choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). Saunders (1993) argues:

“that a liberal social order of market capitalism can generate the conditions of full citizenship, but also that pursuit of egalitarianism and the construction of socialist political institutions tend necessarily to undermine it.” (p57).

Approach 3 – an imprecise catch-all code for change

This approach is reductionist. In the US Kaboolian (1998) refers to the NPM as an imprecise catch-all code for evaluating change (reform):

“Reform movements in the public sector, codified as the ‘New Public Management’ by scholars, provide an opportunity for the adherents of public administration and of public management to engage with each other.” (p189).

To simplify and reduce the number of NPM categories, Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) NPM characterisation will be adopted. This is because much of the above literature takes the form of description and interpretation rather than analysis and empirical study. Ferlie, Ashburner, Fitzgerald and Pettigrew’s (ibid) NPM characterisation stands out – it is comprehensive (capturing the variety of welfare ideas associated with the NPM), theoretically highly developed and empirically tested (in the NHS and education) and comparative (using more than one case study).

NPM Model 1, however, will now be referred to as NPM type 1, NPM Model 2 as NPM type 2, NPM Model 3 as NPM type 3 and NPM Model 4 as NPM type 4. This is because in Chapter Four (pp 116-25) the researcher theoretically develops Ferlie, Ashburner, Fitzgerald and Pettigrew’s (ibid) NPM characterisation by deconstructing their four NPM models into four NPM types with indicators.

Clarifying the important role of the private sector by focusing on policy separation

Policy separation divides policy formulation and implementation at the politician/senior manager interface and allows for the introduction of private sector finance, provision and regulation. This is NPM type 2. It is theoretically a highly developed part of the NPM with united voices – it has been widely researched, published, discussed and advocated. It has been researched and published, for example, through the Economic and Social Research Council’s (ESRC) ‘Local Governance Programme’ (Stoker, 1999). It has been discussed and published, for instance, through themed conferences (‘The Contract State?

The Future Of Public Management', Kirkpatrick, Martinez and Turner, 1994 and Public Administration, 1996 and 1998). Some of the contributors are generic scholars (Ferlie, 1993). It has been advocated independently by Anglo-Saxon scholars: in the UK by Hood (1991, 1994 [with Dunleavy] and 1995a and b), in Canada by Aucoin (1995) and in New Zealand by Boston, Martin, Pallot and Walsh (1996). They emphasise policy separation which:

“represent[s] an explicit acknowledgement that the traditional ministerial department no longer achieves meaningful ministerial direction, control and accountability for public policy and administration. They have destroyed the myth that responsibilities for policy and operations cannot be separated without a loss of political control over administration” (Aucoin, 1995, p247).

Wilson and Doig (1995) suggest a “typology” (p134) which describes eight types of change or separation: delegated budgets, service level agreements, decentralisation, disaggregation, purchaser/provider split, CCT/deregulation, privatisation/liberalisation and non-departmental public bodies. Policy separation is associated with NPM type 3 – it requires politicians to let managers manage (Pollitt, Birchall and Putman, 1998 and 1999 and Terry, 1998). Figure 2.2 defines the meaning of letting managers manage and tracks the development of the NPM.

Figure 2.2: Defining the meaning of letting managers manage and tracking the development of the NPM

<i>Ferlie, Ashburner, Fitzgerald+Pettigrew (1996)</i>	<i>Hood (1991)</i>	<i>Dunleavy+Hood (1994)</i>
NPM Model 1	Hands-on professional management	
NPM Model 1	Explicit standards+measures of performance	Attributing transparent budgets to outputs measured by quantitative indicators
NPM Model 1	Greater emphasis on output controls	
NPM Model 2	Shift to disaggregation of units in the public sector	Disaggregating separable functions into quasi-market (contractual or purchaser/provider) forms
NPM Model 2	Shift to greater competition in public sector	Opening up provider roles to competition between public, private+voluntary organisations
NPM Model 3	Stress on private-sector styles of management practice	
NPM Model 1	Stress on greater discipline+ parsimony in resource use	
NPM Model 2		Deconcentrating provider roles to the minimum sized agency, allowing service user exit
NPM Model 2		Viewing organisations as a chain of low trust principal/agent (network) relationships, linking incentives to performance

Figure 2.2 defines the meaning of letting managers manage by summarising Hood's (1991 and 1994 [with Dunleavy]) thinking. He defines the meaning of letting managers manage by identifying "Doctrinal components of new public management" (1991, p4).

Figure 2.2 also tracks the development of the NPM by relating Hood's (1991 and 1994 [with Dunleavy]) thinking to Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM Models. The NPM develops from NPM type 1 to 2. In 1991 Hood concentrates on doctrines associated with NPM Models (types) 1 and 2 (Hood, 1991), whilst in 1994 he concentrates on doctrines associated with 2 (ibid, 1994 [with Dunleavy]).

Critique of policy separation which is promoting a democratic discourse

There are two streams to the critique of policy separation and both are promoting a democratic discourse – the first is extreme and does not identify with the NPM, whilst the second is moderate and attempts to combine private and public sector activities in a Third Way (Giddens, 1998). This is NPM type 4. Although it is theoretically an underdeveloped part of the NPM with diverse voices (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996), there is the emergence of “a distinct public sector theory.” to rival “Peters and Waterman’s (1982) concept of organizational culture” (Kickert, 1997, p749):

“Although not as elaborate and well developed as the multitude of available ‘managerial’ models, methods and techniques, the alternative ‘public governance’ not only possesses theoretical and analytical cogency but also reflects the practice of administrative developments.” (ibid, p731).

Independently and recently some UK and US scholars have taken an extreme position and do not identify with the NPM. In the UK Dunleavy (1995) directly criticises the NPM by explicitly linking it to five “Policy disasters in ... central government” (p54), “the costs of ‘macho’ management” (p56) and “multiple, often competing audit and regulation systems.” (p64). Hobsbawm (1998) indirectly criticises the NPM by caricaturing the Third Way as “standing still and emoting fuzzily” (p4) and arguing that:

“there be an end to the assumption that government must give businessmen everything they *say* is indispensable to keep them happy.” and “the most recent elections won by the left have shown – notably in Sweden and Germany – voters are readier than economic advisers for positive government action.” (ibid).

Others (Barberis, 1998 and Elcock, 1998) focus on accountability and argue, in direct opposition to Aucoin (1995) and his colleagues, that policy separation does lead to a loss of political control over administration or at least the need to redefine lines of accountability, perhaps through constitutional reform. In the US scholars also focus on

accountability and, in particular, confront the “Hypocrisy Redux” or the lack of democracy in bureaucracies (Gawthrop, 1997, p205 and Kelly, 1998).

Independently European (UK and Dutch) and US scholars have taken a moderate position and are attempting to combine private and public sector activities in a Third Way. Giddens (1998) has published the most comprehensive argument for “The Third Way” or “The Renewal of Social Democracy” (cover) and employs social theory discourse. There is a fusion of left and right political values. The traditional left political value of social justice is represented by the more specific values of equality, protection of the vulnerable and rights. But because collectivism has been abandoned, they are fused with the traditional right political value of the individual – freedom as autonomy. Such freedom means that rights are conditional on responsibilities, but these responsibilities involve all the wider social community, through democracy. A renewed social justice is complemented by a redefined ‘modernisation’, which is equated not only with economic growth (globalisation) but also ecological issues and precaution.

Social theory translates into organisational theory through a “fusion of private and public sector management ideas” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p14). Accountability is still important to Third Way scholars who have generated sophisticated concepts: community government (Stewart, 1995), public or network governance (Kickert, 1997) and deliberative democracy (Elster, 1998). A common thread is to directly confront privatisation, the profit motive and self-interest with community-interest:

“Human beings make most of their decisions, not in terms of individual self-interest, but in terms of the perceived interests of the groups, families, organizations, ethnic groups, and national states with which they identify and to whom they are loyal.” (Simon, 1998, p ii and Terry, 1998).

However, they pragmatically mix these concepts with the reality of how public services have recently evolved. They emphasise that public service management

“is located between hierarchical, central, top-down control and horizontal, fully autonomous actors in a free market.” and that it represents “the complexity of public policy networks, with its many different political, public, and private participants, all having different goals, interests, strategies, and positions.” (Kickert, 1997, p749).

Priemus (1996) gives a practical example by focusing on “Dutch housing associations in a period (1988-95) characterised by government austerity, deregulation, market conformity, privatisation and promotion of home ownership.” (p1891). He concludes that operational independence “is seen as a positive development, but the government is now discovering the drawbacks of complete privatisation ... Recently the cabinet introduced a strengthening of public supervision.” (ibid).

These concepts also contain subtle variations. In the Netherlands Kickert (1997), drawing on the first critique, identifies greater private and public sector distinctiveness, including long-standing public sector virtues. In the US Simon (1998) focuses on reducing business and central government corruption.

Locating the NPM's origins by developing three notions (the pre NPM phase, the Old Public Management and proto-NPM) and tracking its UK diffusion

Defining the terms of reference

Having characterised the NPM it will now be placed in context. Its origins are located by developing three notions (the pre NPM phase, the Old Public Management (Old PM) and proto-NPM) which track its UK diffusion. These notions are important because existing discourse does not adequately facilitate discussion of the NPM's origins, indeed, it

prevents discussion by locking discussants into a set of rehearsed ideas (political and public administration theory) which inhibits new thinking (the longitudinal and previously untracked emergence of the NPM). The notions emphasise that in the pre NPM phase there was also a variety of welfare ideas and that there is change over time.

It has been noted that in 1991 Hood makes one of the first references to the NPM label and uses it as a shorthand to describe international public service reorganisation which began around 1979. As a consequence, the pre NPM phase refers to public service organisation up to 1979. The pre NPM phase, like the NPM phase, is increasingly approached from a generic point-of-view, that-is-to-say, there was a variety of welfare ideas. The generic approach identifies two Old PM types: traditional public administration, which is distinct from the NPM, and proto-NPM, which is the emergent NPM. As a consequence, the specific case for the Old PM notion, rather than “Old Public Administration” (Dunleavy and Hood, 1994, p9), rests on its capacity to expand discussion to capture the variety of welfare ideas, especially proto-NPM.

OPM – public administration

In the pre NPM phase public administration took primacy. In late nineteenth and twentieth century public administration theory, democratic accountability depends on limiting corruption – the assumption is that politicians use their public office to enrich themselves and others through nepotism and that contracting leads to high-cost low-quality services. This translates into organisational theory through keeping the public distinct from the private sector and maintaining policy separation (process accountability). (Hood, 1995b.) In practice, by the 1960s and 1970s, this meant that

“Local administration builds an organisation enclosed in its certainties.” (Clarke and Stewart, 1991, p5).

and that there were “unified functional planning-and-provision structures.” based on a “trustee-beneficiary” relationship (Dunleavy and Hood, 1994, p9). In more detail, Clarke and Stewart (1991) identify five public administration characteristics:

1. Self-sufficiency: public services were carried out directly by employing staff and local authorities were big enough to employ specialist staff
2. Direct control: this was achieved by local councillors setting committee agendas and by departments having long hierarchies enforcing policies and procedures which limited managerial responsibility and organisational responsiveness
3. Uniformity: after the 1974 reorganisation local authorities provided uniform services across the authority and did not serve different communities within the authority
4. Professional expertise: local authority departments were organised around established professions each matching a public service area – the dominant culture was professional geared to service not community requirements. Dunleavy and Hood (1994) characterise this as emphasising input controls
5. Vertical accountability: the long hierarchies ensured detailed vertical control of policies and procedures (representative democracy) and limited accountability to service users. Dunleavy and Hood (ibid) characterise this type of accountability as service user “‘voice’ options to influence how public service provision affects them.” (p9)

Public or political administration is linked to broader social and economic practices through the concept of ‘Fordism’ (Burrows and Loader, 1994; Hood, 1991 and Stoker, 1989). Fordism lasted from the 1930s to the early 1970s and although its production methods could not be used in the provision of public services, its characteristics overlap with public administration’s characteristics (Stoker, 1989):

1. Mass production and consumption (uniformity): products (and services), for example cars, were manufactured on economies of scale using assembly-line techniques, standardisation of parts, semi-automatic machinery and large-scale production runs
2. Self-sufficiency: large workforces were employed which led to powerful trade unions bargaining over working conditions (wages and work-time)
3. Direct control and vertical accountability: management assumes a hierarchical, authoritarian style, developed through centralised planning

4. State intervention (based on professional expertise): it manages and sustains demand for mass production by providing the infrastructure which stimulates production and facilitates the distribution of goods. It also provides public services which employ staff who can then afford to consume the products and which educate and look after the workforce

OPM – proto-NPM

In the pre NPM phase proto-NPM acknowledges that public administration had “its opponents” and the debate about “the right scale and scope of the state has persisted both between and within parties ever since.” (Flynn, 1997, p30). There are four supporting pieces of evidence – one is an international comparison, whilst the other three are UK studies. Taking the international comparison first, Wilks (1996) compares the UK and Swedish cases. He notes that in the UK the post-World War Two settlement between the employers, government and trade unions was not as explicit as in Sweden, where in 1936 at Saltsjobaden all three groups signed a co-operative agreement.

Turning to the three UK studies, first, Glennerster (1995) shows that there has always been a right-wing group in the Conservative Party opposed to a tax and national insurance regime which finances universal benefits and public services. The 1951 Conservative government reduced income tax, introduced prescription charges, reduced NHS staffing levels and cut education spending. Second, Flynn (1990) and Stoker (1989) show that in February 1976 James Callaghan’s Labour government published expenditure plans which intended to cut programmes by 3.7%. This was not delivered and in fact increased by 0.8%. Third, Farnham and Horton (1993, 1996 edition) show that between the 1960s and the early 1970s a series of reports made recommendations linked to NPM type 1. The Fulton Report (1968), for example, recommended that the Civil Service recruit on merit,

improve accountability through management units and introduce a unified grading system.

The recommendations were resisted.

Change over time

To emphasise that there is change over time, Figure 2.3 compares the Old PM of the pre NPM phase with the NPM of the NPM phase.

Figure 2.3: Change over time – comparing the Old PM of the pre NPM phase with the NPM of the NPM phase

<i>Pre NPM phase (C19th-c1979)</i>		<i>NPM phase (c1979-ongoing)</i>	
<i>Old PM</i>		<i>NPM</i>	
		<i>Type 2</i>	<i>Type 4</i>
Public Administration Proto-NPM	Self-sufficiency Review process	Privatisation	End business dominance+ the Third Way
Public Administration Proto-NPM	Direct control Looser control	Policy separation, except US-political management	Accountability (like Public Administration)+public policy networks
Public Administration Proto-NPM	Uniformity (mass production+ consumption) No universalism	Variety (quasi-market- more providers+service user exit)	Pluralism-meeting the goals of different interest groups
Public Administration Proto-NPM	Professional expertise Management units	Let managers manage (profit motive+self interest)	Advisors (economic etc.)+ professional/managerial mix in the community- interest
Public Administration Proto-NPM	Vertical accountability Need to improve accountability	8 types of policy separation: delegated budgets-privatisation	Hypocrisy redux+ community government
Public Administration Proto-NPM	State intervention Need to reduce public expenditure	Discipline+parsimony in resource use (like proto- NPM)	Positive government action +public/private partnerships

Figure 2.3 compares the Old PM with the NPM by summarising the discussion so far. In summarising the discussion, it reinforces the idea that in the pre NPM phase there was also a variety of welfare ideas. Figure 2.3 tracks, from left to right, the development from the Old PM to the NPM. It summarises the key concepts of the Old PM (public administration theory and the proto-NPM notion) and the NPM (NPM types 2 and 4).

The concepts are divided into six areas mirroring the categories used when identifying public administration's characteristics: self-sufficiency, direct control, uniformity, professional expertise, vertical accountability and state intervention.

By presenting the concepts alongside each other, they can be compared. The first area, for example, shows that public service self-sufficiency (Clarke and Stewart, 1991) was in the pre NPM phase under review (Flynn, 1997). By the NPM phase, public services are being privatised (Hood, 1991 and 1994 [with Dunleavy]). There are, however, simultaneously, criticisms to end business dominance (Hobsbawm, 1998) and the emergence of a Third Way characterised by public/private partnerships (Giddens, 1998). Figure 2.4 simplifies Figure 2.3.

Figure 2.4: NPM's longitudinal and previously untracked emergence

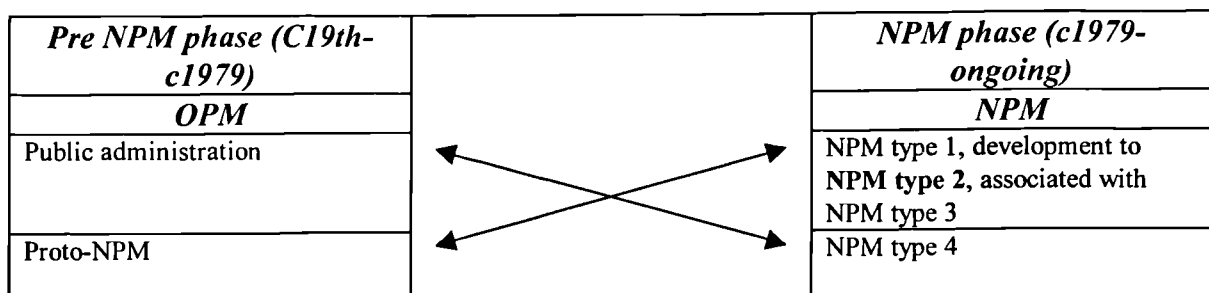


Figure 2.4 simplifies Figure 2.3 by identifying the NPM's longitudinal and previously untracked emergence. Figure 2.4 again tracks, from left to right, the development from the Old PM to the NPM. It notes public administration's dominance in the pre NPM phase and the salience of NPM type 2 over 4 in the NPM phase – it has been argued that it is theoretically highly developed. It also notes the development from NPM type 1 to 2 and its association with NPM type 3.

Explaining the NPM's emergence and tracking its international diffusion in OECD countries

Explaining public administration's dominance in the pre NPM phase

Public administration's dominance in the pre NPM phase and the NPM's emergence and its international diffusion in OECD countries will be explained. The conventional wisdom of post-war settlement is giving way to that of pragmatic politics as a means of explaining public administration's dominance in the pre NPM phase. Flynn (1990) describes the conventional wisdom:

“A conventional wisdom has developed that the various forms of welfare state in Europe after the Second World War were part of a ‘post-war settlement’ between the trade unions and especially the returning soldiers, the employers and governments. In the United Kingdom a Labour government was elected which was to look after the welfare interests of the workforce.” (p6).

In the third edition of his book he replaces post-war settlement with pragmatic politics.

By pragmatic politics it is meant:

“foreign aid, reconstruction and the growth of world trade as it was by economic management.” (ibid, 1997, p30).

The Marshall Plan made US funds available for reconstruction through the UK government – this put the employers in a weak position who agreed to a process of national wage bargaining and a tax and national insurance regime which financed universal benefits and public services (ibid).

Explaining the NPM's emergence and its international diffusion in OECD countries

There are ten economic, political and social factors which explain the NPM's emergence and its international diffusion in OECD countries. Figure 2.5 summarises the factors.

Figure 2.5: Ten economic, political and social NPM diffusion factors

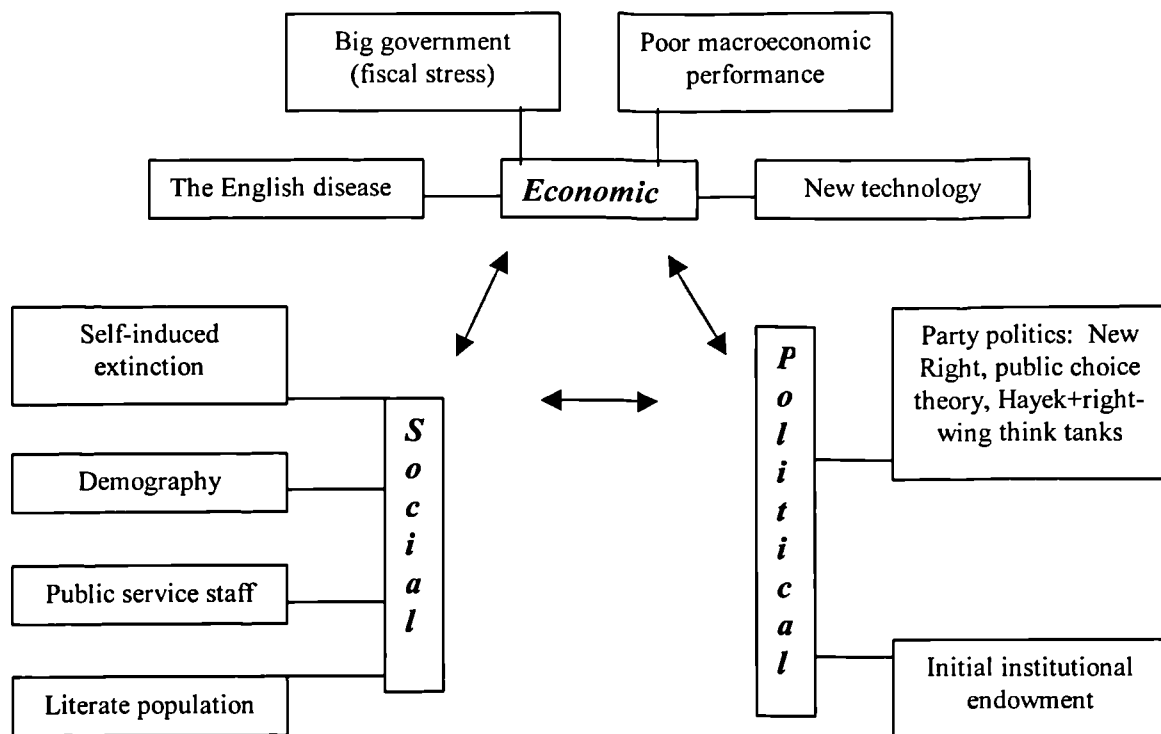


Figure 2.5 summarises the factors by emphasising a broader multi-factor explanation because all ten factors apply to the UK case. It is acknowledged that Hood (1995b) favours “initial institutional endowment” (p106). This explanation is qualified by Hood’s (ibid) empirical evidence which shows that each factor has a different salience in a different country. It is also qualified by Barberis’ (1998) general caution that:

“It may be objected that to identify NPM with any particular theory or body of abstract ideas is to imply connections that do not exist – to seek explanations that are plausible and which give intellectual satisfaction but which are ultimately misplaced.” (p456).

Barberis (ibid) overcomes the caution by stating:

“Such objections, even if valid, miss the point ... the theories need and are perhaps intended to do no more than highlight the broader context in which the NPM must be seen”.

Four economic factors

The first economic factor is an Anglo-Saxon economic imperative (Castles, 1989) – the “English disease” (Hood, 1995b, p100). In the UK the economic imperative began in the 1960s with “the relatively slow rate of growth in the British economy” (Farnham and Horton, 1993, 1996 edition, p261). For Farnham and Horton (ibid) this meant that a general expansion of public services required increased taxation and/or public sector borrowing. Alternatively, it meant that an expansion of a priority public service required the redistribution of existing spending and/or efficiency gains. In OECD countries the economic imperative began around 1975 (OECD, 1985):

“the beneficial role of growing public sector size and the efficacy of fiscal policy instruments in dealing with external shocks and market imbalances were increasingly challenged by the relatively poor performance of OECD economies during the past decade. Indeed, they have been questioned to the point where many now see the growth of the public sector as detracting from, rather than contributing to, over-all macro-economic balance and economic growth objectives.” (p121).

The specific trigger was the 1973 oil price rise which increased public expenditure and led to fiscal deficit (ibid). An oil price rise increases public expenditure by, for example, increasing fuel and heating costs (Wilson, 1993a). By 1975 the International Monetary Fund (IMF) had “rescued” sterling by a loan and exacted the promise to reduce the fiscal deficit by minimising wage increases, especially for public service staff, and stopping public service expansion (Flynn, 1990, p8). Flynn (ibid) points out that North Sea oil revenues temporarily reduced the fiscal pressures by growing from £565 million (1978-9) to £12,000 million (1984-5), before beginning to decline (p14).

This economic factor (the English disease) is being downgraded. In the UK Hood (1995b) cites four non Anglo-Saxon countries “which score relatively high on NPM

emphasis” – “Sweden appears as a high scorer”, whilst Denmark, France and the Netherlands are medium scorers (ibid, p100). In the UK Kaufman (1999) and in New Zealand Bertram (1993) and Roper (1993) question Treasury advice to the incoming Labour governments (1974 and 1984 respectively) which presented explanations for poor economic performance which emphasised previous inappropriate macroeconomic policies and management. Kaufman’s (1999) account is particularly revealing because he was a Labour Minister during the IMF negotiations. In Canada Prince (1999) argues that “The Fiscalization of Political Discourse” (p7) is realigning the economy “in aid of domestic and global capital. A central goal of policy reform ... is changing benefits and programs so as to promote a more mobile labour force and to order a more work-ready group of welfare clients for low wage employment.” (p26).

The second economic factor is big government (fiscal stress) and although “the two most slimline governments within OECD (Japan and Turkey) placed a low degree of emphasis on NPM in the 1980s ... not all outside governments in OECD placed high emphasis on NPM in the 1980s” (Hood, 1995b, p103). Barberis (1998) makes a related point, that there is the “intellectual trajectory” of “debureaucratization.” (p455) or the salience of NPM type 2. The third factor is poor macroeconomic performance and although “some of the macroeconomic success stories of the 1970s are found in the low NPM emphasis group [Japan and pre-1990 Germany] ... not all the high performers of the 1970s are in that group, and nor are all the economic ‘basket cases’ of the 1970s ... in the high NPM emphasis group.” (Hood, 1995b, p103). The fourth and last factor is new technology which produced “a wholly new model of public administration built around electronic data

handling and networking, providing many new niches for accountingization and lowering its direct costs” (ibid, p95, after Taylor, 1992).

Two political factors

The first political factor is party politics – the emergence in the 1980s of Margaret Thatcher and Ronald Reagan’s New Right governments. Starks (1991) aggressively summarises the New Right philosophy:

“a revulsion against excessive [public] expenditure and a new emphasis on thrift. The need for a healthy wealth-generating private sector as a precondition of non-inflationary public spending came into focus.” (p10).

It draws on public choice theory (Self, 1993), right-wing intellectuals (Hayek, 1967) and right-wing think-tanks, especially the Institute of Economic Affairs and the Adam Smith Institute (Flynn, 1990). They champion the market economy. Concentrating on public choice theory, like public administration theory, it starts with the assumption that democratic accountability depends on limiting corruption (Hood, 1995b). Instead of then keeping the public distinct from the private sector, it advocates the hollowing-out of the state (Rhodes, 1994), reducing public expenditure and introducing market mechanisms like privatisation (either by transferring ownership from the public to the private sector or by quasi-market formation) (Self, 1993).

Hood (1995b) again does not subscribe to this explanation. He cites three countries which in the 1980s did not have an association between a high NPM emphasis and a right wing government: Sweden has a high NPM emphasis “but also scores fairly high for left political incumbency with eight years out of the decade under Social Democrat governments ... And at the other extreme, there are unambiguously ‘right’ cases, like

Japan and Turkey, which seem to score distinctly low on the NPM emphasis scale.” (ibid, p101). Instead he suggests “a general process of policy diffusion” (ibid, p102) which may have three colonisation features. First, colonisation may be from outside a public service via a “NPM coalition drawn from accounting firms, financial intermediaries, management consultants and business schools” (ibid, after Dunleavy, 1986). Second, colonisation may be from inside via the emergence “of managers as a new class.” (Hood, 1995b, p102, after Burnham, 1942) – they are narrowly educated in neo-classical economics by elite universities and naturally sympathise with New Right ideas. Third and last, the new managerial class may be prone to ‘bureau-shaping’ or aiming for “the power and status of central agencies”, not the front-line, in order to implement their ideas (Hood, 1995b, p102, after Dunleavy, 1985 and 1991).

Proto-NPM supports Hood’s (1995b) analysis: it was apolitical and colonised macro policy formulation both from the outside via accounting and management organisations and from the inside via the emergence of a new managerial class. It was apolitical because both the 1951 Conservative and the 1974 Labour governments attempted to reduce public expenditure. It colonised macro policy formulation from the outside via accounting and management organisations both from outside the UK (the IMF) and from inside the UK but outside the government (the right-wing think-tanks). It colonised macro policy formulation from the inside via the emergence of a new managerial class because Harold Wilson’s administrative background led him to set up a number of public service review commissions which reported between the 1960s and the early 1970s (Kaufman, 1999). The new managerial class was, however, embryonic because the Fulton Report’s (1968) recommendations were resisted.

Hood's (1995b) analysis, however, underestimates party politics. Without the election in 1997 of Tony Blair's New Labour government would there have been Scottish and Welsh devolution? In the same vein, the election in 1979 of Margaret Thatcher's New Right government is critical (Pollitt, 1990, 1993 edition; Farnham and Horton, 1993, 1996 edition and Starks, 1991) – it facilitated the full but incremental expression of public choice theory. Ultimately, a shift in political leadership is due to the electorate and how they vote. In 1979 the electorate was dissatisfied with the 1974 Labour government's pay policy which led to the infamous Winter of Discontent and voted in the New Right government with its promise of change (Kaufman, 1999).

The second political factor is initial institutional endowment – Hood's (1995b) favoured factor. By this Hood means a country having “*both* motive and opportunity” (ibid, p106, his italics) to replace public administration with the NPM. Motive is important “because outside government makes resource saving of key importance in conditions of growing fiscal stress” and opportunity is important “because there are central points of leverage over the entire public service.” (ibid). He cites three countries and one group of countries which in the 1980s support this explanation: France, the Netherlands, the UK and Scandinavia.

Four social factors

The first three social factors are social demands (Farnham and Horton, 1993, 1996 edition): more social provision is demanded from a literate population, more resources are demanded from public service staff and the demographic structure is changing. The key

change in the demographic structure is “the growth in the proportion of elderly people.” (Pollitt, 1990, 1993 edition, p33 and Flynn, 1990). In the UK the percentage of the population that was over seventy-five grew from 4.2% (1961) to 4.8% (1971) and 5.9% (1981), and the forecast for 2001 was 7.4% (Social Trends, 1988). The trend has implications for health care and pensions – the number of people receiving pensions grew from 7,189,000 (1969) to 9,690,000 (1986) (Department of Health and Social Security [DHSS], 1987). Hills (1993) argues that in the UK the impact of an ageing population has been exaggerated: “ageing by itself would ... imply spending growth at a rate of 0.32% per year over the next fifty years. This may seem rather undramatic, in the light of discussion of ‘the demographic time bomb.’” (p12).

Pollitt (1990, 1993 edition) identifies two other “significant” changes in the demographic structure which may increase demand: “the proportion of young people in the population” (the 1960s ‘baby boom’ and now the potential ‘millennium baby boom’) and “the increasing numbers of one-parent families.” (the increase in the divorce rate) (p34). Flynn (1990) identifies another issue: “the largest single claim on transfer expenditure is the social security budget, accounting for about 40% of central government spending.” (p13).

The fourth and last factor is self-induced extinction which came about “as older control frameworks and accounting practices came to degrade the values which they were designed to promote” (Hood, 1995b, p95, after Painter, 1990).

Critically evaluating the NPM's impact on UK macro level social policy

NPM phase 1 – creating the Audit Society (1979-87)

Having placed the NPM in context, the NPM's impact on UK macro level social policy and public expenditure will be critically evaluated. Taking social policy first, the analysis will refine Figure 2.4, which tracked the NPM's longitudinal emergence. Figures 2.3 and 2.4 tracked the development from the pre NPM phase to the NPM phase and the development from the Old PM to the NPM. The NPM phase can be further divided into four sub-phases: creating the Audit Society (1979-87), the contract state (1988-9), style change (1990-April 1997) and the Third Way (May 1997-ongoing). NPM phase 1 (1979-87) is the transition from public administration to NPM type 2. It is characterised by an incremental shift in social policy, the drive for value-for-money, and policies relate to NPM type 1. Flynn (1997) argues that there was the rhetoric of change in which

“policy was confined to trying to control spending, either directly or by finding more efficient ways of managing.” (p34).

Farnham and Horton (1993, 1996 edition), Jordan and Ashford (1993) and Marsh and Rhodes (1992) present negative arguments which are perhaps politically motivated. Farnham and Horton (1993, 1996 edition) argue that:

“Since the essential feature of the new public sector managerialism is the introduction of private sector management systems, techniques and business language into public services, it is, in a sense, a covert form of privatisation.” (p263) or “political imposition” (p266).

Jordan and Ashford (1993) and Marsh and Rhodes (1992) argue that the government failed because it forgot monetarism since it did not meet and abandoned targets for money supply growth (Jordan and Ashford, 1993) and did not understand policy implementation through the correct policy networks (Marsh and Rhodes, 1992).

Social policy activity targeted central government, selling capital assets and creating an environment for change. In central government there were two initiatives: the Efficiency Unit and the Financial Management Initiative (FMI) (Gray and Jenkins, 1993; Hogwood, 1992 and Flynn, 1990). In 1979 the Efficiency Unit was set up and located in the Cabinet Office under Derek Rayner, Chief Executive of Marks and Spencers. It scrutinised departments, identified inefficiencies and presented practical proposals for savings. It was successful because the scrutinies were well organised, carried out by the departments themselves under the Efficiency Unit's supervision, completed within ninety working days and had considerable political support from Margaret Thatcher. In response to a 1982 House of Commons Treasury and Civil Service Select Committee report, the FMI was launched. The report praised Rayner and the FMI operated like the Efficiency Unit, but it promoted the development of management information systems in which responsibility was delegated to middle and junior managers who were accountable for meeting their costs and other performance indicators. One important local government initiative was introduced in 1984 – 'rate-capping', which removed its option of replacing central government grants through higher rates (Flynn, 1990).

There are two forms of selling capital assets – industry and welfare privatisation. Industry privatisation transferred the ownership of "nationalized industries, [and] public utilities" (ibid, 1997, p35) from the public to the private sector. This has been considered a success (Gretton and Harrison with Beeton, 1987) because sales amounted to £33.6 billion between 1979-80 and 1990-1 (Her Majesty's [HM] Treasury, 1992). In contrast, welfare privatisation was limited and Flynn (1997) argues that "There were really only two efforts to implement the 'new right' policy of state withdrawal from welfare activities: the

attempt to privatize pensions and the privatization of council housing ... healthcare, was not a direct result of government actions ... [but of] waiting lists” (p35).

“Propaganda” (Farnham and Horton, 1993, 1996 edition, p266) persuaded service users and providers that change was both necessary and possible (Flynn, 1990). The introduction of Derek Rayner, for example, symbolically associated civil servants with inefficiency and waste which lowered morale (ibid). Although Hogwood (1992) revealed that in 1991 there was a general convergence of public and private sector pay (p147), there was the impression of worsening working conditions (pay, status and morale) which made it difficult to recruit and retain graduates. In education, for instance, this led to the 1985-6 teachers’ strike and to continued media coverage: “Alan, who used to enjoy his job, felt it was now devalued – by ministers, employers and an explosion of marketing managers, all better paid and better treated than lecturers.” (Beckett, 1994, p5).

NPM phase 2 – the contract state (1988-9)

NPM phase 2 (1988-9) is “decisive” (Wilson, 1993b, p29) and “critical” (Le Grand, 1991, p1256). It is characterised by a:

“decisive break with previous policy” (Wilson, 1993b, p29) which “in retrospect will be seen as critical in the history of British social policy. For it was then that the Conservative Government began to apply a programme of market-oriented change to the welfare state.” (Le Grand, 1991, p1256).

Social policies relate to NPM type 2 – there “is a conception of the state as pump-primer and fund-raiser, rather than as a tax-raiser and service provider.” (Flynn, 1997, p39). The programme was comprehensive involving central government, local government and the NHS (Wilson, 1993b and c; Le Grand, 1991 and Flynn, 1990). In central government in

1989 the Next Steps Agency supplanted the FMI. A 1988 Efficiency Unit scrutiny (Efficiency Unit, 1988) concluded that the FMI had run out of steam, departments were too big, Ministers were overloaded, management was neglected and there were few incentives for civil servants to pursue quality of service and value-for-money. It assumed that smaller agency units and performance indicators would motivate service providers and help service users identify with such an organisation.

In local government in 1988 there were three key Parliamentary Acts. The Local Government Act extended the number of public services subject to CCT: building cleaning, grounds maintenance, refuse collection, schools and welfare catering, street cleaning and vehicle maintenance. In 1989 sport and leisure management was included. (Rao and Young, 1995 and DoE, 1992.) The Education Reform Act introduced local management of schools (the opportunity to opt out of local authority control) and proposed student loans (the first step to stopping student grants). The Housing Act introduced 'Tenants' Choice' and Housing Action Trusts (opportunities to transfer from a local authority to a different landlord).

In the NHS in 1989 there were two key White Papers. 'Working For Patients' established the internal market, whilst 'Caring For People – Community Care In The Next Decade And Beyond' introduced voluntary and private sector contracting.

NPM phase 3 – style change (1990-April 1997)

NPM phase 3 (1990-April 1997) is characterised by a style but not a social policy (substance) change (Flynn, 1997, after Kavanagh and Seldon, 1994). By this it is meant that at the macro political level there was a change in the style of decision-making, but that at the micro operational level there was a continuation of existing social policies, that-is-to-say, the continuation of the substantive development towards the contract state.

Flynn (1997) succinctly summarises the change in the style of decision-making:

“During the Thatcher administrations the manner of government was forceful ... Consultation was reduced, normal processes of decision-making were not used, opposing views were ignored or punished ... John Major reversed some of these tendencies during his period of office, adopting a more open, consultative style and more collegial cabinet” (p36).

He also invokes four speeches and one question-and-answer session by John Major and four colleagues to demonstrate policy continuity. David Willetts (1994), Minister of State for Public Services, for example, stated:

“The market – contracts, choice, competition – is being introduced within the public sector to achieve the authentically Tory objective of strengthening local institutions” (p47).

Indeed, the Local Government Act 1992 extended CCT beyond manual work to professionals: architectural, computing, construction, finance, library and personnel services. Council housing management was subsequently added to the list. (Rao and Young, 1995 and DoE, 1992.)

NPM phase 4 – the Third Way (May 1997-ongoing)

NPM phase 4 (May 1997-ongoing) is, like NPM phase 1, a transition phase from which the New Labour project and, in particular, its NPM stance has yet to fully emerge (Ferlie, 1999). Ferlie (ibid) makes a “highly preliminary” conclusion (p18):

“in terms of policy reversals from the previous government in relation to the organisation and management of the public sector, there is less to New Labour than meets the eye, and large elements of the NPM agenda continue in place.” (ibid).

There is no return to public administration and social policies relate to NPM type 4's Critique 2, the Third Way (Jowell, 1998 and a conversation with John Prescott). The programme is comprehensive involving central government, local government and the NHS. In central government "The composition of the Quango State ... may well be changing with a progressive shift in appointments from business representatives to local government councillors (usually Labour Party councillors), but the basic apparatus of non elected bodies remains" (Ferlie, 1999, p17). In local government CCT has been repealed and replaced by Best Value, which replaces the compulsion in competitive tendering with identifying "the benefits of that can arise from bringing new providers into the market." (Local Government Act 1999, Department of the Environment, Transport and the Regions (DETR) Circular, p13). In the NHS despite "the abolition of the internal market ... other lines of policy (such as strong performance management) remain undisturbed and may even have intensified." (Ferlie, 1999, p17).

Figure 2.6 summarises the discussion and refines Figure 2.4, which tracked the NPM's longitudinal emergence.

Figure 2.6: Tracking the NPM's longitudinal emergence and its continuing development

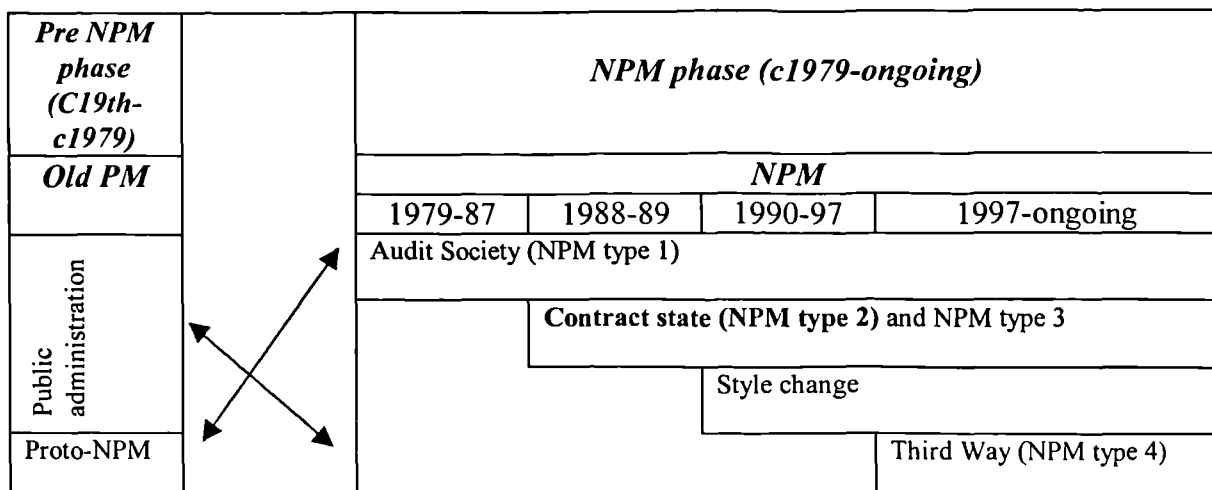


Figure 2.6 summarises the discussion and refines Figure 2.4 by dividing the NPM phase into four sub-phases – it now tracks the NPM’s longitudinal emergence and its continuing development. Figure 2.4 tracked the development from the pre NPM phase to the NPM phase and the development from the Old PM to the NPM. Figure 2.6 further divides the NPM phase into four sub-phases: creating the Audit Society, the contract state, style change and the Third Way.

Although the discussion focused on the emergence of the four sub-phases, for example, the Audit Society emerged between 1979 and 1987, Figure 2.6 emphasises that they have a continuing impact on social policy. The Audit Society is currently resurgent because of the prevalence of counting (Power, 1996) and the present government’s programme of establishing clear performance frameworks for certain services, like local government (DETR, 1999). This theme is developed in Chapter Four (pp 118-20).

Critically evaluating the NPM’s impact on UK macro level public expenditure

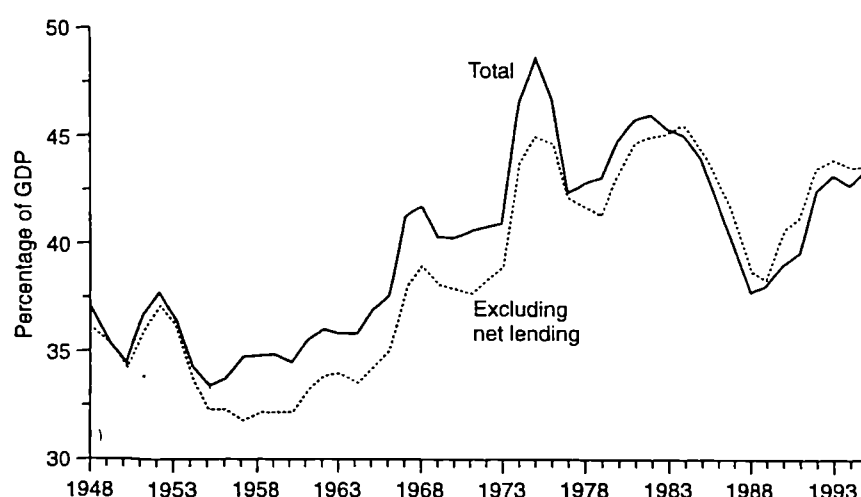
Spending and international comparisons

Turning to critically evaluating the NPM’s impact on UK macro level public expenditure, spending, international comparisons, staffing and New Labour activity will be discussed. There are two indicators of spending arrest: tracking General Government Expenditure (GGE) as a percentage of Gross Domestic Product (GDP) and international comparisons (again using GGE as a percentage of GDP) (OECD, 1991 and 1998 and HM Treasury, 1996). Although they measure finance performance, they are sensitive to the economic cycle (see below) and the accuracy of calculating statistics and forecasting (Flynn, 1990;

Thain and Wright, 1991; Wilson, 1993a and Sentence, Hall and O’Sullivan, 1998). Long-term timescales have been used which tell against analyses taking the short-term and concluding that there is “No Withering Away” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p2 and Ferlie, 1999). Nevertheless, the short-term analyses reveal the difficulty of further reducing public expenditure – a difficulty highlighted by the continuing negative public sector borrowing requirement (PSBR) (Flynn, 1997).

First, Figure 2.7 tracks GGE as a percentage of UK GDP.

Figure 2.7: GGE as a % of GDP (UK)



Source: Office for National Statistics (1996) (Reproduced from Sentence, Hall and O’Sullivan, 1998, p66)

Figure 2.7 reveals that Wagner’s Law (Wagner, 1890), the tendency of GGE to rise faster than GDP because growing industry demands supporting infrastructure, was arrested in the late 1970s in the UK. The subsequent fluctuations are due to the dominant influence of the economic cycle – the boom of the late 1980s saw a sharp fall in spending, whilst the recession of the early 1990s saw the opposite effect. (Sentence, Hall and O’Sullivan,

1998.) Thain and Wright (1991) express spending arrest in terms of a decrease in the annual average percentage growth in GGE in real terms between 1963-4 to 1990-1.

Second, Figure 2.8 makes international comparisons and tracks GGE as a percentage of OECD GDP.

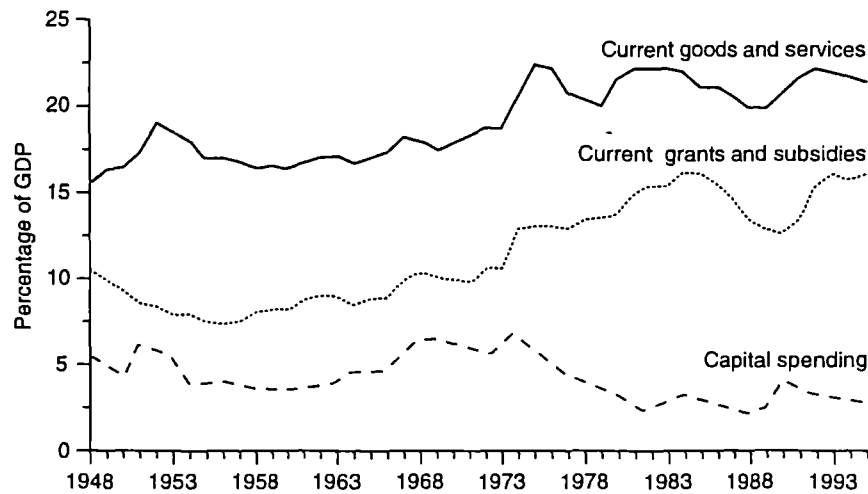
Figure 2.8: GGE as a % of GDP (OECD)

OECD Country	1981	1990	1997
US	31.7	32.8	32.0
Japan	32.8	31.3	35.2
UK	44.2	39.9	39.7
Sweden	62.6	59.1	62.3
OECD Average	37.6	38.4	39.1

Source: Adapted from OECD (1998)

In 1970 the UK was the biggest 'Group of Seven' (G7) spender, but by 1989 only two countries were smaller (OECD, 1991). Figure 2.8 reveals that the UK should now be considered a medium spender, increasingly mirroring the OECD average. The US and Japan interchange as small spenders, whilst Sweden is considerably bigger (OECD, 1998). Figures 2.9 and 2.10 reveal the location of spending arrest by current account and public service components of GGE.

Figure 2.9: Current account components of GGE as a % of GDP (UK)



Source: Office for National Statistics (1996) (Reproduced from Sentence, Hall and O'Sullivan, 1998, p67)

Figure 2.9 reveals that the axe has fallen on capital spending – it has halved since the early 1970s. Taking the example of local authority housing, where capital spending is a prominent issue, Bramley (1997) argues that it was adversely affected because of its “large element of capital investment” which is easily cut because it does “not entail ... sacking public sector employees” (p395 and Confederation of British Industry [CBI], 1988). This is one of his four “interconnections” (the others are demography, ideology and political calculation) explaining the targeting of council housing (Bramley, 1997, p391) for early welfare privatisation in NPM phase 1 (Flynn, 1997) (see Figure 2.10). Spending on goods and services (pay and materials) is a constant since the mid 1970s (fluctuations are again due to the economic cycle). Spending on grants and subsidies (mainly social security payments) continued to rise until the mid 1980s, influenced directly by the unemployment rate, and then followed a similar pattern to goods and services. (Sentence, Hall and O'Sullivan, 1998.)

Figure 2.10: Public service components of GGE as a % of GDP (UK)

<i>Public Service</i>	<i>1981-2</i>	<i>1995-6</i>	<i>-/+</i>
Defence	5.0	3.0	-2.0
Trade, Industry, Energy+Employment	2.5	1.3	-1.2
Housing	1.6	0.7	-0.9
Transport	1.9	1.3	-0.6
Education	5.4	5.1	-0.3
Environmental Services	1.5	1.4	-0.1
Heritage	0.5	0.4	-0.1
Overseas, including Aid	0.6	0.5	-0.1
Agriculture+Fisheries	0.6	0.6	0.0
Miscellaneous	1.3	1.3	0.0
Law, Order+Protection	1.8	2.2	+0.4
Health+Personal Social Services	6.2	6.9	+0.7
Social Security	11.5	13.1	+1.6

Source: Adapted from HM Treasury (1996)

Figure 2.10 reveals that the axe has fallen most heavily on three public services: defence, trade and housing. One reason for the housing cut has been given (the halving of capital spending), another makes it a more apparent cut – the switch of support from house building to rent subsidies (Flynn, 1997). The defence cut is related to the peace dividend or the end of the Cold War and the trade cut is part of the general spending control process. It also reveals that spending is a constant in two services: agriculture and miscellaneous, and has risen in three services: social security, health and law and order. One reason for the social security rise has been given (the unemployment rate), another is the increase in the number of pensioners receiving pensions (ibid). The health rise is due to pay and prices in the NHS rising more than in general (indicated by inflation) and the law and order rise is due to increasing numbers of crimes and prisoners and the political dividend of such spending (more votes) (ibid).

Staffing

There are two indicators of staff reduction: comparing the overall numbers of public and private sector staff and comparing the numbers of public sector staff by service. Figure 2.11 compares the overall numbers of public and private sector staff in the UK.

Figure 2.11: Overall numbers of public and private sector staff (UK, thousands)

<i>Year</i>	<i>Public Sector</i>	<i>Private Sector</i>	<i>Total</i>
1970	6,515	18,238	25,002
1997	5,052	21,730	26,782

Source: Office for National Statistics (1998)

Figure 2.11 reveals that there has been a reduction in the overall number of public sector staff and a rise in the overall number of private sector staff. Figure 2.12 compares the numbers of public sector staff by service in the UK.

Figure 2.12: Numbers of public sector staff by service (UK, thousands)

<i>Year</i>	<i>Central Government</i>			<i>Local Authority</i>	<i>Public Corporations</i>	
	HM Forces	NHS	Other		Nationalised Industries	NHS Trusts
1979	314	1,152	922	2,997	1,849	---
1997	210	78	645	2,598	316	1,121

Source: Office for National Statistics (1998)

Figure 2.12 reveals that the reduction in the overall number of public sector staff has been located in central and local government, but not the NHS where numbers have increased (add the 1997 totals for the NHS and the NHS Trusts). Flynn (1997) cautions that “Some of the reductions achieved are superficial: if an office cleaning company takes over the job of cleaning a ministry, the number of civil servants is reduced.” (p46). He also suggests

that “the reductions were not as great as might have been expected after such a long period in government.” (ibid).

New Labour activity

New Labour is pulling three levers to reduce spending: short-term cuts, long-term cuts and covertly increasing taxes. First, short-term cuts involve cutting unemployment (Welfare to Work) and shifting capital spending off the balance sheet through the Private Finance Initiative (PFI). Second, long-term cuts involve continuing the Conservative policy of changing pension provision but Sentance, Hall and O’Sullivan (1998) warn that it has “a five- to 10-year time horizon.” (p72). Third and last, covertly increasing taxes has involved changing the tax treatment of pension funds and bringing in a windfall tax on privatised utilities and is involving reducing tax allowances, increasing indirect taxes and increasing National Insurance contributions. (Ibid.)

These measures may be offset by political needs (investment in priority public services and general catch-up pressures) and PFI problems. Taking political needs first, Ferlie (1999) notes that there is a commitment (HMSO, 1998) to “protect or augment the human capital base, notably health and education.” (p10). The Faustian pact demands that “services will be ‘modernised’ and reformed and will be able to deliver quantifiable improvements.” (Ferlie, 1999, p10). Sentance, Hall and O’Sullivan (1998) warn that “It will be hard to resist pressures for some ‘catch-up’ after this period of restraint” (p75), especially in the run-up to the next General Election.

The most recent budget, 'Budget 2000', provided evidence which indicates that catch-up is beginning to take place, especially in NHS spending. NHS spending is to grow by 6.1% per year above inflation (Jeffrey, 2000, p1). The Director of the Institute for Fiscal Studies interprets this growth as a loosening of fiscal policy, in other words, public expenditure is beginning to increase: "But the important point is that the Budget announces dramatically increased public spending – a loosening of policy." (Dilnot, 2000, p2). He explains that the increase is made possible because of "The combination of earlier tax increases and a strong economy" which means that growth "can be paid for by allowing borrowing to rise, not taxes." (ibid, p3).

Turning to PFI problems, the inflow of private finance into public services has been modest – between 1985 and 1997 in health it has remained almost static at no more than 13-14% (Kanovos, 1999, Figure 3). Taking the example of local authority housing, where the PFI is an emerging issue, Bright (1999) reports a recent innovation. In the past in order to access private finance to revamp estates homes were either transferred to a Registered Social Landlord (RSL) (a housing association) or sold off in other ways. Now under the PFI housing revenue accounts can be used to raise private finance which means that 'privatisation' does not need to take place.

Concluding remarks and identifying research themes and critical questions

This chapter has at the macro level through the NPM literature review theoretically characterised the NPM. It has located the origins, tracked the diffusion and critically evaluated the impact of the NPM – its rise and rise. Where possible, an international perspective has been taken.

In Chapter One (pp 1-9) it was noted that this research interconnects three contemporary themes: governance, variation and continuity. These themes are evident at the macro and theoretical levels of change. In both the pre NPM and NPM phases governance has been delivered in a variety of ways. In the pre NPM phase two Old PM types have been identified: traditional public administration, which is distinct from the NPM, and proto-NPM, which is the emergent NPM. In the NPM phase different NPM typologies have arisen which include public administration. In tracking the development from the pre NPM phase to the NPM phase and the development from the Old PM to the NPM, it is clear that there is the continuity of both public administration and the NPM.

Nevertheless, there is the rise in the UK and internationally of the NPM. Barberis (1998) concludes that “classical Weberian bureaucracy, prevalent from the late nineteenth century, may have had its day.” (p455). The UK “is not pursuing its own structural adjustment because of outside demands, as far as we know, it is being done voluntarily.” (Flynn, 1997, p59). This adjustment is based on “The Art Of Political Judgement” (Lowndes and Stoker, 1994, cover) – assessments of the ten economic, political and social NPM diffusion factors. These factors could be reduced to assessments of “People’s willingness to pay tax” (Flynn, 1997, p58) and “International competitiveness” or attracting “Inward investment” (ibid, p57).

The chapter has argued that in both the pre NPM and NPM phases there was perhaps an uncritical belief in ideologies about public service organisation and management, social policy and public expenditure. Uncritical belief raises the problem of NPM

characterisation, especially at the theoretical level of analysis. Different NPM typologies have arisen in which different NPM types may have taken on a spurious concreteness. Such presupposition may be accurate, but caution is needed and further empirical research required. The literature review will now be used to identify research themes and critical questions.

Much of the NPM literature reviewed in the chapter, however, takes the form of description and interpretation rather than analysis and empirical study. Ferlie, Ashburner, Fitzgerald and Pettigrew's (ibid) NPM characterisation stands out – it is comprehensive (capturing the variety of welfare ideas associated with the NPM), theoretically highly developed and empirically tested (in the NHS and education) and comparative (using more than one case study). Even their NPM characterisation has a weakness – the comparative element, although explicit, is not presented accessibly. It is surprising that only Walker (1998) examines empirically their NPM characterisation.

Having identified the requirement for further research which is comprehensive, theoretically highly developed and empirically tested and comparative, this research addresses those needs.

Three research themes and eight critical questions are identified. The second and third themes recognise the contributions of this research to two fields of study outside public management: social and generic organisational theory. Some of the associated questions overlap. First, public management theory is developed by asking:

1. Can Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM characterisation be deconstructed into a NPM typology with indicators to be tested empirically?
2. Does the NPM exist?
3. Does it vary within a case and between cases? In other words, what is the pace of change?
4. Having proposed ten NPM diffusion factors at the macro (environment) level, how do they manifest themselves at the meso (public service) and micro (organisation) levels, what are the motors of and barriers to change and what are the links between the three levels? In other words, what is the depth of change?

Critical questions one to four directly address the central theme of this research. They test the presupposition that the NPM exists and that the NPM has real meaning and empirical significance. In other words, the NPM will be characterised, mapped and its rise and rise explained.

Second, social theory is developed by asking:

5. Can the NPM typology be used to show that different managerial ideologies and citizenship concepts are in struggle?
6. If so, which managerial ideologies and citizenship concepts are being adopted by public service organisations? In particular, can the diffusion of the NPM types be mapped and explained?
7. Having established the environment or outer context of change at the macro level, what is the inner context, content and process of change at the meso and micro levels? In particular, what are the links between policy formulation and implementation and the role of individuals and their networks?

Critical questions five to seven develop the argument by focusing on the NPM typology.

The questions are founded on two assumptions. First, it is assumed that the NPM can be interpreted as the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and the fall and rise of citizenship concepts (Faulks, 1998).

Second, existing social theory interprets the process of organisational life as a dynamic and constant struggle between networks of members which represent different managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall,

1988; Clegg, 1998 and Kemeny, 1992). Founded on the two assumptions, the NPM typology will be used to show that different NPM types, managerial ideologies and citizenship concepts are in struggle.

Third and last, generic organisational theory is developed by asking:

8. Is there variation or isomorphism in public service organisation and management?

Critical question eight develops the argument further by focusing on the implications of showing that different NPM types, managerial ideologies and citizenship concepts are in struggle. The implications contribute to a debate about models of patterns of change. There is a continuing debate within generic organisational theory about whether organisations vary (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) or whether they are similar (Powell and Di Maggio, 1991 and Kitchener, 1998). This debate directly addresses one of the three contemporary themes – variation. The debate will be contributed to by empirically revealing that there is variation in public service organisation and management.

The next chapter (Three) will focus the NPM discussion by highlighting one key stream of NPM strategic activity – privatisation through the implementation of CCT. Privatisation and CCT implementation were selected for theoretical and empirical reasons which draw on the NPM literature review. The reasons are explained at the outset of the next chapter.

CHAPTER 3

CCT LITERATURE REVIEW – FROM COMPULSORY TO VOLUNTARY COMPETITION

“Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.”

Charles Dickens: David Copperfield

Introduction

The relevance of CCT and its relationship to the NPM need to be explained at the outset of this chapter. This can be achieved by discussing the purpose of this chapter. The purpose of this chapter is to focus the NPM discussion by highlighting one key stream of NPM strategic activity – privatisation through the implementation of CCT.

The NPM discussion is focused because, as can be seen from the last chapter (Two, pp 15-58), its scope is vast and includes the variety of changes that have taken place in public service organisation and management since the 1970s.

Privatisation and CCT implementation were selected for theoretical and empirical reasons. Privatisation and CCT implementation were selected theoretically by using the NPM literature review. The review indicates that the private sector is playing an important role in public service organisation and management and notably through policy separation (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). Policy separation divides policy formulation and implementation at the politician/senior manager interface and allows for the introduction of private sector finance, provision and regulation. One type of policy separation is CCT (Wilson and Doig, 1995).

CCT implementation was selected empirically by drawing on existing NPM work reported in the NPM literature review. Flynn (1997) argues that council housing management is one of the two oldest welfare privatisations – the other being pensions. By selecting council housing management instead of pensions as the focus of this research, because of the researcher's experience in local authority housing, it meant that an assessment of CCT should be made. Stewart (1995) acknowledges the impact of CCT and argues that the client/contractor split is one of the defining elements in the developing pattern of management in local government and indeed much more widely in the public sector. Both CCT and its replacement, 'Best Value', are defining elements because they emphasise "that the quality of services as well as their cost matters" (DETR, 1998, p9). In other words, using Charles Dickens' metaphor, the balance sheet can be the difference between satisfying and not satisfying the commissioners of a contract.

The researcher acknowledges that because CCT is an UK phenomenon and it has been replaced by Best Value, that the value of researching CCT implementation as a classic case of the NPM may be diminished. Nevertheless, researching CCT implementation is of value. At the time when this research was being conducted (1994-2000), as Stewart (1995), Wilson and Doig (1995) and Flynn (1997) point out, CCT was one of the defining elements of the substantive development towards the contract state, welfare privatisation and the NPM in the UK. In short, this research project focuses on the rise of the NPM in the UK up to 2000 and CCT was a key element in NPM diffusion. Indeed, this research project parallels other research projects which were undertaken in the UK and at the same time, because CCT data was drawn on to evaluate the NPM (Stoker, ed, 1999).

Current UK research, however, is focusing on contemporary defining elements of the NPM and, one of those elements, is Best Value. It has been noted that both CCT and Best Value are defining elements of the NPM because they emphasise the quality and the cost of public services. (DETR, 1998.) In other words, there is the continued development towards the contract state, welfare privatisation and the NPM in the UK, but the development is shaped differently by two different time and policy contexts.

The chapter will sketch a panoramic picture of privatisation and then draw in the details of CCT implementation. It introduces Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change as a means of explaining variation in NPM diffusion. It also introduces the specific issues which will be addressed to improve understanding about quasi-market development: quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

The chapter is divided into five sections. First, it will sketch the panoramic picture of privatisation. Second, it will distinguish between two different forms of contracting: CCT and quasi-markets. Third, it will draw in the details of CCT by dividing empirical evidence from local government, central government and the NHS into five

specific issues. These are: the shift of service delivery from the public to the private sector, quasi-market emergence, the changing patterns of public service work, the challenge to accountability and analysing organisational change. Fourth, it will discuss the transition from CCT to Best Value – the transition from compulsory to voluntary competition. Fifth and last, it will conclude by identifying research themes and critical questions.

Sketching the panoramic picture of privatisation

The broader public service context will be established and then the specific local authority housing context will be focused on. The NPM literature review has in fact established the broader public service context by critically evaluating the NPM's impact on UK macro (environment) level social policy and public expenditure. Wilson (1995) focuses the NPM discussion by succinctly summarising it in terms of privatisation:

“Privatisation essentially involves two broad types of policy: denationalisation and liberalisation ... Denationalisation entails a total or partial transfer of ownership from the public to the private sector. Liberalisation embraces various measures intended to introduce or increase competition in the provision of services. The liberalisation policies involved deregulation and competitive tendering.” (pp 37-8).

Focusing on local authority housing, Flynn (1997) identifies five forms of privatisation and they fall into the denationalisation policy type. These are: promoting home ownership, changing building patterns, making Registered Social Landlords (RSLs) (housing associations) more reliant on private finance, changing subsidies and shifting service delivery from the public to the private sector.

The promotion of home ownership “was the biggest of the privatisations and one which had a direct impact on the policy towards publicly owned housing. “ (ibid, p82). By this Flynn (ibid) means that in the post-war period local authority housing

was the usual tenure for working people, but during the 1980s home ownership was promoted. Since the Housing Act 1980, council and RSL tenants have had the Right to Buy their home at a subsidised price. Figure 3.1 reveals the impact of promoting home ownership.

Figure 3.1: Housing stock by tenure (UK)

Year	Stock Of Dwellings (Millions)	Owner Occupied (%)	Rented From Local Authority+New Towns (%)
1972	19.7	51.0	30.0
1982	21.8	58.0	29.0
1992	23.9	66.1	20.9
1996	24.6 (estimated)	67.0 (provisional)	18.9 (provisional)

Source: Government Statistical Service (1999)

Figure 3.1 reveals the impact of promoting home ownership by comparing the housing stock between 1972 and 1996. The stock is divided by tenure and comparisons are expressed as percentages. There has been a steady rise in the level of owner occupation under the former Labour and Conservative governments. In contrast, the level of rented social housing up to the last sequence of Conservative governments (which began in 1979) was constant at around 30.0% and then has nearly halved during that period of office (1979-97). One-and-a-half million local authority homes were bought through Right to Buy, “about a quarter of the 1980 council stock” (Bramley, 1993, p156).

Building patterns have changed. The construction of local authority homes for general use has been stopped, whilst the construction of RSL properties is promoted (ibid). Figure 3.2 demonstrates the changing pattern.

Figure 3.2: *Permanent dwellings completed (UK, thousands)*

<i>Year</i>	<i>New Dwellings Completed</i>	<i>Private Enterprise</i>	<i>Registered Social Landlord</i>	<i>Local Authority /New Towns+ Government Departments</i>
1972	331	201	8	122
1982	183	129	14	40
1992	180	147	27	6
1996	188	153	32	2
1997	188 (provisional)	159 (provisional)	28 (provisional)	1

Source: Government Statistical Service (1999)

Figure 3.2 demonstrates the changing pattern by comparing the permanent dwellings completed between 1972 and 1997. The dwellings are divided by tenure and comparisons are expressed as numbers. The construction of local authority homes for general use has dropped from over one hundred-and-twenty-two thousand in 1972 to one thousand in 1997. In contrast, the construction of RSL properties has been raised from eight thousand in 1972 to twenty-eight thousand in 1997. The construction of private enterprise homes consistently outperforms the construction of social housing.

RSLs are more reliant on private finance. The Housing Corporation, which provides funds to RSLs, used to provide all the funding through the Housing Association Grant, but now only provides 58% of funding. The rest is made up by private borrowing. (Bramley, 1993.)

Subsidies have changed. The subsidy of house building has been stopped, whilst the subsidy of people's housing costs through housing benefit (HB) is promoted. The importance of this switch is expressed by Bramley (ibid): "HB may be likened to a voucher, with individual tenants in theory able to exercise a choice of landlord." (p160 and Hills, 1991, Chapter Three). Figure 3.3 demonstrates the changing pattern of housing subsidy.

Figure 3.3: Housing subsidy (£ billion)

<i>Housing Subsidy</i>	<i>1979-80</i>	<i>1994-5</i>
Building	12.5	4.9
Housing Benefit	1.84	8.9

Source: HMSO (1995)

Figure 3.3 demonstrates the changing pattern of housing subsidy by comparing the subsidy in 1979-80 and 1994-5. The housing subsidy is divided by financial measure and comparisons are expressed as billions of pounds. The subsidy of house building has dropped from £12.5 billion in 1979-80 to £4.9 billion in 1994-5. In contrast, the subsidy of people's housing costs through HB has been raised from £1.84 billion in 1979-80 to £8.9 billion in 1994-5.

Service delivery is shifting from the public to the private sector. This is discussed below. The management of local authority housing is also transferring to other agents: RSLs, tenant management organisations and Housing Action Trusts (Housing Act 1988) (Bramley, 1993). Various transfer methods have been used: CCT, voluntary stock transfer (Housing Acts 1985 and 1988) and promoting tenant participation schemes. One scheme is called 'Tenants' Choice' which allows tenants to choose their landlord (Housing Act 1988). By 1993 twenty local authorities had disposed of their stock through voluntary stock transfer (Bramley, 1993, p159).

Bramley (ibid) identifies another form of privatisation – making local housing authorities publish performance indicators (Local Government and Housing Act 1989 and the Citizens Charter (HMSO, 1991). These forms of privatisation are overt (and often legislative), but they can be supported by covert (and often financial) pressure. A grant can be offered to sponsor the development of a policy, for example, tenant

participation (DoE, 1992) or the allocation of resources can be linked to implementing government policies through a performance regime, for instance, the Housing Improvement Programme (DoE, 1993a, b and c and 1994a).

CCT and quasi-markets

Before drawing in the details of CCT, two different forms of contracting need to be distinguished: CCT and quasi-markets. Wilson (1995), using Enthoven (1985) and Le Grand (1991), argues that “Certain public sector activity, however, was considered inappropriate to be subject to a tendering process although the benefits of competition were still applicable. In welfare services, therefore, bureaucratic resource allocation has been replaced by an internal market, or quasi-market.” (Wilson, 1995, p38). Later he adds: “Where the distinction between policy decisions and service provision is not clear-cut ... This has involved the creation of quasi-markets and the identification of purchasers and providers.” (ibid, p40). The implication is that where there is a distinction between policy decisions and service provision then CCT applies.

Focusing on local authority housing, Bramley (1993) also distinguishes between CCT and quasi-markets, but adds the caveat that “The line between contracting-out of this kind [CCT] and quasi markets may be a fuzzy one” (p156). He goes on to state that the quasi-market concept fits decisions about investment and allocation, whilst decisions about management are “increasingly subject to compulsory competitive tendering for contracts, and is also affected by stock transfers.” (ibid). In reality, the distinction between CCT and quasi-markets is fuzzy. Figure 3.4 reveals their similarity.

Figure 3.4: Similarity between CCT and quasi-markets

<i>Issue</i>	<i>CCT+Quasi-Markets</i>
Discourse	CCT: client/contractor (DoE, 1992) Quasi-market: purchaser/provider (Wilson, 1995)
Supply+Demand (Wilson, 1995)	Supply: competing organisations can be privately owned Demand: consumer may be represented by agents rather than having direct input
Conditions For Success (Bartlett+Le Grand, 1993)	Market structure: competitive in terms of the client/contractor+purchaser /provider split Information (also referred to by Wilson, 1995): - client/purchaser: quality of service - contractor/provider: costs Transaction costs+uncertainty: kept to a minimum Motivation: - client/purchaser: motivated by service user interests - contractor/provider: motivated by financial considerations Cream-skimming: no incentive to discriminate between users in favour of those who are least expensive (also referred to by Wilson, 1995)
Criteria For Evaluation (Bartlett+Le Grand, 1993)	Efficiency: - allocative: outputs are consistent with consumer preferences - productive: output is produced at maximum efficiency thereby minimising cost Responsiveness Choice (also referred to by Wilson, 1995+Common, Flynn/Mellon, 1992) Equity (also referred to by Wilson, 1995+Williamson, 1975)

Figure 3.4 reveals the similarity between CCT and quasi-markets by comparing them over four issues: discourse, supply and demand, conditions for success and criteria for evaluation. It establishes that although two discourses are used (the words client and contractor in the discourse of CCT and purchaser and provider in the discourse of quasi-markets), the discourses refer to the same issue – dividing a public service organisation into a core and a periphery. This is policy separation or NPM type 2.

Having established that CCT and quasi-markets are referring to the same issue, it then becomes clear that CCT and quasi-markets are addressing three issues associated with quasi-market development: supply and demand, conditions for success and criteria for evaluation. In terms of supply and demand, for example, competing organisations (contractors and providers) can be privately owned and the consumer (service user) may be represented by agents (clients and purchasers) rather than having a direct input.

Revealing that quasi-market development is complex, it has just been noted that the consumer, collectively, may also form a competing organisation. The management of some local authority housing is transferring to tenant management organisations (Bramley, 1993). In other words, service users can be either side of the policy separation divide – they can be clients/purchasers and contractors/providers.

Drawing in the details of CCT

Having sketched the panoramic picture of privatisation, the details of CCT will be drawn in. The details of CCT will be drawn in by dividing empirical evidence from local government, central government and the NHS into five specific issues. These are: the shift of service delivery from the public to the private sector, quasi-market emergence, the changing patterns of public service work, the challenge to accountability and analysing organisational change. Although in the first section the broader public service context was established and then the specific local authority housing context was focused on, this cannot be done here. Because the first round of local authority housing CCT was in April 1996, little empirical evidence has so far emerged except over the issue of monitoring the shift of service delivery from the public to the private sector.

Shift of service delivery from the public to the private sector

There is increasing evidence that there is a shift of service delivery from the public to the private sector (Wilson, 1995). There is a myriad of evidence for local government and so the evidence for central government and the NHS will be reported first. Central government became subject to CCT through the publication of the Next Steps white paper (HMSO, 1993) because it invited the private sector to bid for the work of

more than one-hundred-and-forty executive agencies, employing four-hundred-and-thirty-thousand civil servants, almost 80% of the civil service. Within the NHS and between 1983 and 1990, health authorities won approximately 77% of all contracts (Joint NHS Privatisation Unit, 1990).

The Local Government Association commissions the Local Government Management Board (LGMB) to survey CCT and Voluntary Competitive Tendering (VCT). A recent LGMB survey (1997) reveals that Direct Service Organisations (DSOs) (the in-house public sector contractor) only won just over half of known contracts (56.5%) but 71% of their value, estimated at £1706.7 mpa. Figure 3.5 shows how the market share held by DSOs is diminishing.

Figure 3.5: DSO market share

<i>Year</i>	<i>DSO CCT/VCT Contracts</i>		
	% Contracts	% Value	£ Value
1991	69.7	84.3	N/A
1994	62.0	82.0	2.2 bn
1997	56.5	71.0	1706.7 mpa

Sources: LGMB (1991, 1994 and 1997)

Figure 3.5 shows how the market share held by DSOs is diminishing by comparing market share between 1991 and 1997. Market share is defined in terms of contracts won. The contracts won are also measured by value and comparisons are expressed as percentages and numbers. Across all three measures market share is diminishing, especially the percentage of contracts won, which has dropped from 69.7% in 1991 to 56.5% in 1997. The LGMB (1997) interprets the state of the market as “a ‘mixed’ economy of in-house and external provision in a majority of authorities.” (p12).

There are variations between services, regions and political context. In 1997 the service most subject to competition was building cleaning, with an average of 4.8 contractors tendering per contract which translates into the DSOs only winning 43.8% of known contracts (ibid). The 1991 equivalent was refuse collection with 3.4 contractors (LGMB, 1991). In 1997 the service least subject to competition was sports and leisure management, with 1.9 contractors which translates into the DSOs winning 74.2% of known contracts (LGMB, 1997). The 1991 equivalent was catering (education and welfare) with 1.2 contractors (LGMB, 1991).

Regional variations are linked to political context. Wilson (1995) commenting on the LGMB's 1991 survey observes: "in Labour-dominated Wales and also Yorkshire and Humberside the DSOs won 100% of refuse collection contracts. This contrasts with less than two-thirds success in Conservative-inclined East Anglia and the South East." (p52). In 1997 inroads had been made into Wales (the DSOs won 97.1% of known contracts) and Yorkshire and Humberside (83.3%), whilst competition had increased further in East Anglia (60.0%) and the South East (38.9%) (LGMB, 1997).

Focusing on local authority housing, housing management was included in the LGMB's 1997 survey – not as part of the above statistics, but as part of "three additional major areas" in Appendix One (p85). Ninety-eight authorities let two-hundred-and-ninety-three contracts with an average of 1.7 contractors tendering per contract which translates into the DSOs winning 90.8% of known contracts or 92.1% of their value (£1973.3 mpa) (ibid).

The LGMB positively interprets the state of the market by comparing housing management to sports and leisure management. Housing management is "following

the pattern of Sports and Leisure Management in its early stages, when DSOs dominated, with a few contracts going to specialist MBOs (management buy outs) – which here find their equivalent in Housing Associations.” (ibid, p93). External awards go “mainly to Housing Associations. No companies have emerged as major national players at this stage.” (ibid).

Ryle (1996) negatively interprets the state of the market: “After considerable effort it [the private sector] decisively lost the first battle to win housing management contracts from local authorities” (p27). She gives the example of a relatively successful company, Johnson Fry Housing (now called Pinnacle), which “won contracts with two authorities, having submitted bids to about 30” (ibid). She also reports some of the problems encountered by the private sector: “refusal to give TUPE information (working arrangements) and changing information and contract documentation at the 11th hour as deadlines for tender-submissions approach.” (ibid). This skewing of the market exists despite the sanction of DSOs being banned from further competition if it is proved that they have been involved in anti-competitive behaviour.

It should be noted, however, that the opening up of the market was helped: “The Government suggests that bigger authorities – with over 30,000 stock – will let individual contracts for not more than 5,000 units at a time. This is to help private contractors to break into the market gradually.” (Arnold-Forster, 1993, p21). The Chief Executive of Johnson Fry Housing wants the market opened up further: “Using existing performance indicators compiled by the Audit Commission, the idea would be to grade councils’ housing standards. The top 75 per cent would be spared the CCT process in the sector entirely. The bottom 25 per cent would be banned from

submitting in-house bids for at least a portion of the housing management work.” (Ryle, 1996, p27).

Quasi-market emergence

Despite the shift of service delivery from the public to the private sector, there is a lack of definitive evidence about quasi-market emergence (Le Grand and Bartlett, 1993a; ESRC, 1994 and Wilson, 1995). A comprehensive survey of quasi-market emergence in local and central government was undertaken by Le Grand and Bartlett (1993a and ESRC, 1994) as part of the ESRC’s ‘Functioning of Markets Research Programme’. They drew pessimistic and optimistic conclusions. The optimistic conclusion states: “In so far as it is possible to make an assessment at this stage, the evidence so far suggests that social housing, school education, GP (General Practitioner) fundholding and community care at the level of care-management seem to be closer to meeting the market structure and information conditions for quasi-market success than community care, at the level of the social services department, and health authority purchasing. However, even here there are problems; and there is cause for concern in education, fundholding and social housing with respect to the other conditions, particularly those of transaction costs and cream-skimming.” (1993b, p218). This means that “housing, education, GP fundholding and care-management reforms seem to hold out the prospects of real improvements in efficiency, responsiveness and choice, but, unless the incentives for cream-skimming are reduced, may have a detrimental effect on equity.” (ibid, p219).

The pessimistic conclusion states: “Even if you start off with a lot of competition, the research shows after a few years in hospitals or personal social services, it settles down after a while to a cosy cartel between the purchaser and the provider” (ESRC,

1994, page unnumbered). This conclusion is supported by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996). Their “primary data from the NHS” revealed “a *relational* market, where a few powerful purchasers were in more-or-less continuing negotiation with a few powerful providers. Judgements were made on the basis of trust and reputation as well as hard data.” (ibid, p234). The data also revealed the market to be “*socially embedded*. There was found to be a high degree of continuity in the personnel staffing the upper reaches of local health care organisations. There is, then, a small health care elite (but one which contains distinct clinical, managerial, public service and quasi-political components) which displays considerable stability at the apex of these organisations.” (ibid, pp 234-5). In addition, the data revealed the market to be “*institutionally embedded* ... The quasi-market is inward facing, regulated by higher tiers. Rules concerning arbitration, process, rates of return, and productivity targets are all set centrally and transmitted downwards.” (ibid, p235).

The general impression, though, is of an “inherent tension” (Wilson, 1995, p48). This tension is being expressed as the emergence of “organisational hybrids” in organisational analysis (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p239). Instead of there being either public or private sector providers, there is a blurring of provision through organisational hybrids or network forms of organisation (Powell, 1991). Sternberg (1993) argues that in the American context government combines with business through university/industry collaboration or military/industrial co-operation (see Emmert and Crow (1987) who explore research and development laboratories).

Mackintosh, Jarvis and Heery (1994) believe these partnerships to be unstable and prone to splitting because they operate under a dual logic – they are driven by quasi-

market pressures on the tax-supported side and private market pressures elsewhere. Mackintosh (1993), in particular, believes that there is little market creation and more contract negotiation. Within transaction costs theory Garrette and Quelin (1994) go further and describe these partnerships as ill assorted, but Bradach and Eccles (1991) suggest that as the theory has developed there is a recognition of alternative organisational forms. Nevertheless, a tension remains around the central question, at what point does political regulation of the market essentially become planning (Ranade and Appleby, 1989)?

The implication of the emergence of organisational hybrids is organisational variety: *“There is no one ‘new management’ but different, potentially contradictory streams of ideas and practices.”* (Lowndes, 1997, p83). Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) provide empirical evidence from the NHS and education of increasing organisational variety, which tells against currently dominant population ecology and institutional perspectives. Advocates of these perspectives (Meyer and Rowan, 1977; Di Maggio and Powell, 1983; Hannan and Freeman, 1988; Powell and Di Maggio, 1991 and Kitchener, 1998) argue that organisations change essentially to become isomorphic with pressures emerging from their environment, notably the state. The degree of organisational variation is seen as highly constrained by these evolutionary pressures. Neo-institutionalists, however, accept that “the incidence of radical change and the pace by which such change occurs will vary *within* sectors because organizations vary in their internal organizational dynamics.” (Greenwood and Hinings, 1996, p1023).

Changing patterns of public service work

Because of the shift of service delivery from the public to the private sector, the pattern of public service work is changing. There is increasing evidence that there are cost reductions but at the price of worsening working conditions and the risk of reducing quality of service. The picture is complicated by there being variations in calculations about the level of cost reduction and in working conditions. (Wilson, 1995.)

There are variations in calculations about the level of cost reduction between and within local government and the NHS (ibid). In local government there are variations within services and between local authorities. Domberger, Meadowcroft and Thompson (1986) examined refuse collection data from more than three hundred local authorities between 1984-5 and estimated cost reductions of 22% when private contractors were used and 17% when DSOs were used. Szymanski, however, has reported different levels of cost reduction within the same service. With Jones (1993) it was reported that direct unit costs had reduced by 27%, saving £40-80m, but with Wilkins (1993) a lower figure of 20% was reported – the lower figure took into account the cost of contract monitoring. Walsh (1991) examined forty local authorities and found average cost reductions of 6-7% in the annual cost of providing services, but one authority reduced costs by 49% whilst another increased costs by 26%.

In the NHS there are also variations within services but in addition there are variations between services. Domberger, Meadowcroft and Thompson (1987) conclude that achievable cost reductions are 27% in hospital domestic services when private contractors are used and 18% when DSOs are used. Milne and McGee (1992),

however, suggest that the calculations are understated and should be 48%. The National Audit Office (1987) estimated a cost reduction of 10% in catering, but Milne and McGee (1992) again suggest that the calculations are understated and should be 14%.

There are variations in working conditions by features such as staff reduction, the increase in part-time staff, pay reduction and the increase in hours worked being offset by other features such as improved efficiency, greater productivity of labour and vehicles, better organisation and more modern equipment (Wilson, 1995).

Walsh (1995) identifies staff reduction but does not reach any firm conclusions about the role of CCT. Hartley (1987) also notes this activity, but in addition identifies the increase in part-time staff and pay reduction. Pay reduction is linked to lower fringe benefits. Painter (1991) also links staff reduction to pay reduction and lower fringe benefits, especially for women: “[it is] women workers who bear the brunt” (p208). Szymanski and Wilkins (1993) focus on the increase in hours worked, conceding that although pay stayed the same “it may be that the productivity increase involved a fall in the effective hourly rate” (p138).

These negative features are offset by positive features. Szymanski and Wilkins (ibid) report improved efficiency, Cubbin, Domberger and Meadowcroft (1987) greater productivity of labour and vehicles and Hartley (1987) better organisation and more modern equipment.

There is the risk of reducing quality of service. Various studies link pay reduction and lower fringe benefits to lower standards of service delivery (Ganley and Grahl,

1988; Enforced Tendering Team, 1989 and Local Government Information Unit, 1994). In particular, Ganley and Grahl (1988) challenge Domberger, Meadowcroft and Thompson (1986) by querying the source of their cost reductions. Ganley and Grahl (1988) identify that there are losers among the workforce and link this to loss-leading and lower standards of service delivery.

Challenge to accountability

Because of the shift of service delivery from the public to the private sector, it has been suggested that there is a challenge to accountability at two levels. There is a challenge to accountability in government (Walsh, 1995; Rao and Young, 1995 and Stewart, 1995) and a challenge to accountability to service users (Walsh, 1995).

Accountability in government

There is increasing evidence to suggest that there is a challenge to traditional approaches of accountability in government – there is a struggle over decision-making (Walsh, 1995; Rao and Young, 1995 and Stewart, 1995). The traditional approach divides the political role into three activities: sharing policy formulation with staff, approving policies and being ultimately responsible for the outcomes of policy implementation. Malpass and Murie (1982, 1994 edition) succinctly describe the traditional approach:

“Legally it is the elected representatives who are responsible for the policy of a local authority, but it is now generally accepted that although they may be the decision-takers they are not the only decision-makers; the full-time salaried officials are also heavily involved in formulating policy proposals which eventually become policy decisions.” (p235).

The challenging approach is policy separation. Rao and Young (1995) link policy separation to CCT and describe it in more detail:

“It is evident that one of the effects of CCT is to disengage councillors from direct involvement in the services provided by private contractors. It makes

councillors formally responsible for awarding contracts, but takes away from them influence on how a service is delivered ... They can specify the service, describe the tasks to be done, the quality and quantity to be delivered, but they cannot (by and large) say how these objects are to be achieved. They can hold a contractor to account for the standard of the service, identify shortfalls, issue notices to require remedial action, and impose penalties in cases of non-compliance. But they cannot attempt to steer the delivery of the service by ad hoc interventions.” (pp35-6) (Rao, 1993).

The picture is complicated by there being variations in the form of policy separation between and within local government, central government and the NHS. Walsh (1995) takes a broader perspective and discusses all three public service areas, whilst Rao and Young (1995) and Stewart (1995) focus on local government.

In local government Walsh and Davies (1993) conclude that local councillor direct involvement is limited and therefore declining. A LGMB survey (1992) revealed that there are variations between activity and local authorities. Local councillors are most closely involved in developing policy, setting standards and letting contracts and least involved in specifying contracts, evaluating tender bids and monitoring contracts. They are most closely involved in the London boroughs and least involved in the district councils. The survey also revealed that 38% of two-hundred-and-eighty-five authorities report that local councillors are closely involved in DSO management and that this takes place most in the London boroughs and least in the county councils. Rao and Young (1995) explain the 38% in terms of local councillors wishing “to feel “in control” of service provision” (p37), especially in Labour authorities, feeling vulnerable “to public criticism” (ibid) and suspecting “external providers would not have the same loyalty and commitment to member priorities” (p38).

These studies support the views expressed by the Third Way scholars, those critiquing NPM type 2 (Chapter Two, pp 25-7). These scholars pragmatically emphasise that

public service management is located between hierarchical, central, top-down control and horizontal, fully autonomous actors in the free market (Kickert, 1997).

Nevertheless, the challenge to traditional approaches of accountability in government is significant because key issues remain unresolved. One example is to link a lack of political control, derived from policy separation, to the creation of fragmented structures which make it more difficult for local councillors to take a corporate strategic view. Walsh (1995), Rao and Young (1995) and Stewart (1995) agree that management reforms were not matched by political reforms. Walsh (1995) and Stewart (1995) conclude that there is a decline in the role of intermediary political levels and the consequent concentration of power in the hands of central government politicians. Rao and Young (1995), developing the theme of a decline in the role of intermediary political levels, conclude that there is no new local councillor role. They reflect that “all the discussion of and with members in these authorities [ten] was coloured by perplexity in the face of past orthodoxies having been by-passed by events.” (ibid, p38). Walsh (1995), supplementing the theme of the consequent concentration of power in the hands of central government politicians, makes a series of pessimistic conclusions. These conclusions take a broader perspective and discuss local government, central government and the NHS.

Walsh (ibid) makes two general conclusions. First, there is a growth of appointed bodies which operate without traditional controls and which are not accountable through the electoral process. Second, pre-stated performance targets can be manipulated to show that they have been met. In local government and the NHS, he is concerned about the way that local government clients and NHS purchasers learn – they “find it difficult to develop service policy because the detailed understanding that

is necessary lies with the provider [and contractor].” (ibid, p216 and Stewart, 1995). In central government, using Boston, Martin, Pallot and Walsh (1991), Walsh (1995) notes that it is easier for policy-makers to avoid responsibility by blaming failures on those who implement policy. He concludes by confronting Waldegrave’s (1993) notion that it is output that matters: “Certainly we want services that work, but the operation of the public realm is about more than making sure that the trains arrive on time.” (Walsh, 1995, p221).

These studies support the views expressed by other scholars critiquing NPM type 2 (Chapter Two, pp 25-7). These scholars argue that policy separation leads to a loss of political control over administration or at least the need to redefine lines of accountability (Barberis, 1998 and Elcock, 1998).

To resolve these key issues, Stewart (1995) suggests: “The way ahead is to build on accepted patterns of working such as council or committees, but to see how they can be transformed from within in ways that enhance the councillor’s role.” (p9). More practically, he suggests that the representative role of the local councillor is developed. This is more than dealing with constituency problems, because the local councillor represents “the community of the whole area and the communities within communities. He or she is a representative inside the organisation of the world beyond the organisation. He or she is normally elected for a political party and brings to the authority a set of political values and concerns.” (ibid, p8).

Accountability to service users

Unlike the political role, the service user role is ambiguous – they may or may not be organised and represented in the policy formulation process. Malpass and Murie (1982, 1994 edition) also succinctly describe the service user role:

“Beyond the town hall ... there are various interests, including those primarily related to consumption issues (tenants, council tax payers) and those primarily related to production issues (builders, suppliers, unions). These various interests may or may not be organised and represented in the policy-making process.” (p235).

The introduction of CCT has not clarified the issue of accountability to service users in local and central government, but its introduction has, however, begun to clarify the issue in the NHS. In local and central government “relatively little has been done, as yet, to create the institutions that would make possible effective democratic control.” (Walsh, 1995). In local authority housing discussion is largely rhetorical – authorities were perceived by the Conservative government to be paternalistic (DoE, 1992) and in need of enhanced tenant participation (HMSO, 1991 and DoE, 1992, 1993c and 1994a).

In the NHS the introduction of CCT has, however, begun to clarify the issue of accountability to service users. Harrison, Barnes and Mort (1997) observe: “*User involvement is a contemporary policy initiative in the UK National Health Service*” (p4). They argue that the NHS, like local authority housing, suffers from paternalism (Klein, 1995), but unlike housing, it is reversing a democratic deficit (Wistow, 1993). By democratic deficit it is meant that local democratic institutions were progressively eroded under the Conservative government (Stewart, 1992 and Hunter and Harrison, 1997). Marnoch (1997) uses consumerism, another dimension of the accountability to service users issue, as an example of the democratic deficit. Consumerism was recognised in the Griffiths Report (1983) but it slipped down the implementation

agenda (Harrison, Hunter, Marnoch and Pollitt, 1992). Marnoch (1997) also argues that the United States Veterans Affairs Health Administration “appears to reflect a more sophisticated appreciation of governance relationships and the significance of institutions” (p1), whilst the NHS at the strategic level denies “the existence of an institutional politics” (p11). As a consequence, in the NHS senior managers do not establish “an appropriate system of organisational governance.” (ibid).

Nevertheless, the lack of discussion is conspicuous. These studies suggest that public service management is not balanced between hierarchy and the free market (Kickert, 1997), but is leaning towards hierarchy. The scholars critiquing NPM type 2 still need to argue the case for accountability to service users. In the UK it is left to Stewart (1995) to argue the case for community government:

“The problems of a rapidly-changing society cannot be met on the basis that all knowledge and understanding in government lie in the village of Whitehall and Westminster. Equally the local authority has to learn that all knowledge in local government does not lie within the council offices or the council chamber.” (p2).

His argument acknowledges “the impact of CCT and government policy generally” and, in particular, “The client-contractor or purchaser-provider split [which] is one of the defining elements in the developing pattern of management in local government and indeed much more widely in the public sector.” (ibid, p10). The argument responds to CCT by advocating a programme of activity – the formulation of an organisational learning policy which should be regularly reviewed. The policy should build on the customer care movement, lead to the design of new forms of service or new ways of delivering them and ensure that staff are trained in the values of community government. Its effectiveness should be audited by the community, not the organisation (or an appointed body [Walsh, 1995]).

Analysing organisational change

The shift of service delivery from the public to the private sector raises the issue of analysing organisational change. In other words, some assessment needs to be made about notions of transformational change and receptivity for change. Within the CCT literature there are two prominent streams analysing transformational change and receptivity for change: evaluating organisational culture change and evaluating how strategic change has been shaped.

Evaluating organisational culture change

The concept of organisational culture has gained authority in organisational literature in the last two decades, especially in discussing effective approaches to transformational change (Tichy, 1983; Kanter, 1983, 1985 edition and 1989, 1996 edition and Nadler, 1987). The utility of the concept has, however, been questioned, notably the effect which management action can have on culture (Pettigrew, 1990). This is because “culture is an ambiguous and loose concept, which is difficult to operationalize.” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p109). Nevertheless, culture has been described as the glue which holds the organisation together (Schein, 1983 and 1985) and this glue has different aspects: control systems, organisational structures, paradigm (underlying values), power structures, rituals and routines and stories and symbols (Johnson and Scholes, 1989, 1993 edition). These aspects need to shift to sustain transformational change (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996).

Within the CCT literature there are perhaps two process studies that are relevant to this discussion. The first is about local government (Rao and Young, 1995), whilst the second is about the NHS and education (Ferlie, Ashburner, Fitzgerald and

Pettigrew, 1996). Rao and Young (1995) discuss the local authority experience of CCT, whilst Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) discuss the NPM in action. These studies identify transformational change indicators. These are indicators for knowing that change has been achieved. Figure 3.6 lists the indicators.

Figure 3.6: Transformational change indicators

<i>Scholar+Field Of Study</i>	<i>Transformational Change Indicators</i>
Scholars: Ferlie, Ashburner, Fitzgerald+ Pettigrew (1996) Field of study: NHS+education	“1. The extent of multiple, interrelated change across the system as a whole; 2. The creation of new organisational forms at a sector level; 3. The development of multi-layered changes which impact below the whole system at unit level; 4. The creation of changes in the services provided and their mode of delivery; 5. The reconfiguration of power relations; 6. The creation of a new culture, ideology, and organisational meaning.” (p33)
Scholars: Rao and Young (1995) Field of study: Local government	“management skills and conduct” (p40)

Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) transformational change indicators have been listed first because they identify a more comprehensive set of indicators than Rao and Young (1995). Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) indicators overlap with Johnson and Scholes’ (1989, 1993 edition) aspects of organisational culture. Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) draw on all of Johnson and Scholes’ (1989, 1993 edition) aspects, add two other features (multiple system change and multi-layered change) and are more specific.

Rao and Young (1995) and Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) transformational change indicators reveal that there is increasing evidence to suggest that organisational culture is changing in local government and the NHS. Their evidence relates to finance.

In local government Rao and Young (1995) found that there was “a transformation of management skills and conduct.” (p40) – staff “are financially aware” (p42). They cite a myriad of quotations from their ten local authority case studies to link CCT to culture change, one of which reads: “CCT has changed people’s attitudes and changed the culture ... Our councillors wanted the council to change as they believed it was ‘inward’ looking. The management has changed ... Now most officers are financially aware, it has led to increased professionalism and has resulted in a new breed of managers” (ibid, p42). They also reveal that culture change is located with the contractors, not the client: “However, much of this change appears to refer more obviously to the DSO or business unit manager than to the client side or the strategic centre of the authority.” (ibid, pp 39-42).

Rao and Young’s evidence (ibid) is corroborated by a LGMB survey (1992) but not by Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) evidence from education. The LGMB survey (1992) revealed that 93% of two-hundred-and-eighty-five Chief Executives report that responding to competition has changed management processes across the authority. It also revealed that 80% report that competition has changed the culture of their authority. Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) do not consider organisational culture change because “the evidence of multilayered, multiple system change is not as significant nor as comprehensive [as their NHS data]. There are data to support the view that major and radical changes are occurring in education, but the evidence for transformation ... is insufficient in that sector at this point in time.” (p237).

In the NHS Ferlie, Ashburner, Fitzgerald and Pettigrew (ibid) found that there was “some evidence of adapting values during change. For example, the acceptance by

many GPs of the new role of GP fundholders” (p236). On this occasion, they do consider that organisational culture has changed because there is evidence of significant multilayered and multiple system change supporting the view that there is transformational change.

Evaluating how strategic change has been shaped

Rao and Young (1995) and Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) evidence suggesting that organisational culture is changing in local government and the NHS raises the issue of evaluating how strategic change has been shaped. Because CCT is linked to NPM type 2, any findings about how CCT has been shaped will explain the rise and rise of the NPM.

Within the CCT literature there are perhaps three process studies that are relevant to the discussion. Two are about local government (Walsh and Spencer, 1990 and Lewis and Glennester, 1997), whilst the third is about the NHS (Pettigrew, Ferlie and McKee, 1992). The Walsh and Spencer (1990) study predates CCT but was researched “during a period of rapid change and reappraisal” (p4). The DoE and the Audit Commission were evaluating efficiency and effectiveness and the “government legislation was changing the shape and character of local government’s public housing service.” (ibid, p3). Walsh and Spencer (ibid) discuss the quality of service in local authority housing, Lewis and Glennester (1997) discuss implementing the new community care and Pettigrew, Ferlie and McKee (1997) discuss shaping strategic change. These studies identify receptivity factors for change – receptivity factors. These are factors to take into account when managing change.

Pettigrew, Ferlie and McKee (ibid) build on Pettigrew's earlier private sector work on receptivity (Pettigrew and Whipp, 1991 and 1992). Pettigrew, Ferlie and McKee (1992) carefully state that receptivity factors are "indeterminate in their outcomes and implications. We are presenting a view of change processes which recognises emergence, possibility, precariousness and iteration." (pp 276-7).

Figure 3.7 lists the receptivity factors identified by the three process studies.

Figure 3.7: Receptivity factors for change

Scholar+Field Of Study	Receptivity Factors For Change	Explanation
Scholars: Lewis+ Glennester (1997) Field of study: Local government	1. Leading change – senior managers 2. Prior policy commitments 3. Political context 4. Irrational process 5. Intervention (Scholars' ordering of factors)	Senior managers: are committed, communicate, have vision, have a critical mass of support, have strategic back-up+build ownership Role "not clear" (p199) Change brings together different aspects eg. Structure, procedures, IT, but needs+resources have to be reconciled Central government
Scholars: Walsh+Spencer (1990) Field of study: Local government	Leadership skills-key role=Area Housing Manager	1. Leaders: communicate, have vision+maintain morale 2. Area Housing Manager: boosts morale, is responsible, is responsive, is flexible, has a local vision, has a local financial plan+trains staff
Scholars: Pettigrew, Ferlie+McKee (1992) Field of study: NHS	1. Key people leading change 2. Managerial-clinical relations 3. Co-operative inter- organisation networks 4. Environmental pressure 5. Quality+coherence of policy 6. Simplicity+clarity of goals+priorities 7. Change agenda+its locale 8. Supportive organisational culture (Researcher's ordering of factors-not scholars')	1.1 Pluralism-leaders: are individuals, are in small groups +build teams 1.2 There is continuity of leadership 1.3 Diversity-leaders: come from a broad occupational base+any hierarchical level 1.4 Leaders: plan, take opportunities+are aware of timing 2.1 Involve key staff early on 2.2 Build trust through honesty+communication (know what the other values) 2.3 Offer deals, offer incentives+enforce penalties 3. Communication: 3.1 Formal: serve on the other's Committees+have clear referral points 3.2 Informal+purposeful: trade, educate, become committed+build trust 4.1 Drains energy 4.2 Creates opportunities for change 5.1 Analytical evidence-data collection to substantiate a case 5.2 Process evidence-a broad vision to build commitment 6.1 Narrow the change agenda to key priorities 6.2 This facilitates the building of a consensus for change 7. Local factors influence change+may be reshaped by top-down interventions or local activities 8. Challenging+changing beliefs about success+how to achieve it-encouraging flexibility 8.1 In general-use leaders as role models 8.2 More specifically: design structures for flexible-working, focus on skill not status, allow risk taking, be open to research/evaluation, focus activities through a strong value base+have a positive self-image/sense of achievement

Although Pettigrew, Ferlie and McKee (1992) identify a more comprehensive set of receptivity factors, Lewis and Glennester (1997) have been listed first because they have a definite ordering of factors. For Lewis and Glennester (ibid) leading change is

the key receptivity factor: “most important, seems to have been the strategic capacity of the authority and the commitment of senior managers to change and to disseminating the need for change” (p199). Walsh and Spencer (1990) have been listed second because they identify leading change as the only receptivity factor, but locate it at middle management level – with Area Housing Managers.

Pettigrew, Ferlie and McKee (1992) draw similar conclusions and agree that leading change is a key receptivity factor. They warn, however, that the receptivity factors “represent a pattern of association rather than a simple line of causation.” (ibid, p275). In short, they do not have a definite ordering of receptivity factors. The researcher has ordered their receptivity factors so that leading change heads the list. This reveals that the three process studies draw similar conclusions and all agree that leading change is a key receptivity factor to take into account when managing change.

Leading change is also a key indicator for knowing that change has been achieved. The two process studies within the evaluating culture change stream of the CCT literature refer to leading change. Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) refer to power relations as a transformational change indicator. Rao and Young (1995) refer to management skills and conduct.

The important difference between Pettigrew, Ferlie and McKee’s (1992) study and Lewis and Glennester’s (1997) is that the latter highlights the significant role of political context in local government. In the NHS local councillors play a minor part, if any, in shaping strategic change.

Transition from CCT to Best Value – from compulsory to voluntary competition

Having sketched the panoramic picture of privatisation and drawn in the details of CCT, the transition from CCT to Best Value – the transition from compulsory to voluntary competition, will be discussed. The history of CCT legislation in local government (1980-2000) will be reviewed first.

The history of CCT legislation consists of two frameworks – a policy and an implementation framework. The DoE established both. The policy framework between 1980 and 1991 affected manual workers, but from 1992 it affected professionals. The Local Government, Planning and Land Act 1980 first introduced CCT in local government. It targeted building construction and maintenance and highways maintenance work by requiring these services to be subject to competitive tender (Flynn, 1985). The 1980 Act did not bring about major shifts in the pattern of provision (Wood, 1988) which led to the Local Government Act 1988. It extended the number of services subject to competitive tender: building cleaning, grounds maintenance, refuse collection, schools and welfare catering, street cleaning and vehicle maintenance. The 1988 Act permitted the Secretary of State to add to the list of defined activities and in 1989 sport and leisure management was included. The Local Government Act 1992 extended CCT beyond manual work to professionals: architectural, computing, construction, finance, library and personnel services. Council housing management was subsequently added to the list of defined activities (DoE, 1992 and Rao and Young, 1995).

The intention to subject local authority housing to CCT was signalled in the Citizen's Charter: **"Compulsory competitive tendering will be introduced in to the field of housing management"** (HMSO, 1991, p16). This message was repeated and

reinforced by George Young, the former Minister of Housing, speaking to a Housing Conference in September 1991 and David Hunt, the former Secretary of State for Wales, writing a letter to Welsh councils (DoE, 1992, forward).

The implementation framework was not uniform and differed according to the local context of each housing authority – authorities were exposed to CCT at different rates: “Councils have been separated into five bands, according to their size and preparedness, with different timetables for the introduction of CCT ... the timetable for the final stages of tendering remains tight. Contracts for the 98 councils in the first band will be let in 1996-1997, with all contracts in bigger housing authorities let by the end of 1999.” (Arnold-Forster, 1993, p21). Three timetabling concessions were made: “[First] The Government had planned to force councils to begin preparations to put housing management out to tender this April [1993] ... [but] the CCT process will begin next April. [Second] Another concession allows councils which are soon to be reorganised by the Local Government Commission a ‘window of exemption’. [Third] The transfer of large packages of housing stock to housing associations and extra consultation with tenants required by this year’s leasehold reform bill may also trigger a delay in CCT for individual councils.” (ibid).

The transition from CCT to Best Value – the transition from compulsory to voluntary competition, will now be discussed. The Local Government Act 1999:

“does not require authorities to subject their functions competition in the way in which legislation on compulsory competitive tendering did.” (DETR Circular, 1999, p12).

It does, however, accept the principle of competition and by implication privatisation:

“fair and open **competition** will, in the Government’s view, most often be the best way of demonstrating that a function is being carried out competitively. Such competition is expected to play an essential and enduring role in ensuring best value” (ibid).

Best Value attempts “to secure continuous improvement in the way in which they [local authorities] exercise their functions, having regard to a combination of economy, efficiency and effectiveness.” (ibid, p3). This will be achieved through “**The Best Value Performance Management Framework**” (ibid, p4). The Management Framework is a process with five key stages. First, authority-wide objectives and performance measures are established. Second, a programme of reviews are agreed and then undertaken. The reviews are undertaken in selected areas of expenditure and focus on challenging the purpose of a service (why and how it is provided), comparing performance through service or cross-service performance indicators and some national targets, consulting the community and competition. Third, the results of the reviews are set out in a performance plan which sets and publishes performance and efficiency targets. Fourth, there is a system of independent audit, inspection and certification to report on achievements and address any shortcomings. Fifth and last, as a last resort the Secretary of State can intervene to protect the public. (Ibid.)

Local authorities are required to conduct reviews of all functions within a five year period ending 31 March 2005 and within consecutive five year cycles after that. Authorities are also required to publish their first performance plans no later than 31 March 2000 and no later than 31 March in each subsequent year. (Ibid.)

Concluding remarks and identifying research themes and critical questions

This chapter has focused the NPM discussion by highlighting one key stream of NPM strategic activity – privatisation through the implementation of CCT. It has sketched a panoramic picture of privatisation and then drawn in the details of CCT. It has

introduced Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change as a means of explaining variation in NPM diffusion. It has also introduced the specific issues which will be addressed to improve understanding about quasi-market development: quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

Returning to the three contemporary themes of governance, variation and continuity, these themes are evident in CCT. CCT can be delivered in a variety of ways. In the discussions about the five specific issues (the shift of service delivery from the public to the private sector, quasi-market emergence, the changing patterns of public service work, the challenge to accountability and analysing organisational change), it is clear that there is variation in CCT implementation. In the discussion about the shift of service delivery from the public to the private sector, for example, there are variations between services, regions and political context. Still using the shift of service delivery as an example, it is also clear that there is continuity of public sector service delivery. DSOs are still running just over half of known contracts (56.5%) or 71% of their value, estimated at £1706.7 mpa (LGMB, 1997). In local authority housing this rises to 90.8% of known contracts or 92.1% of their value (£1973.3 mpa) (ibid).

Under Best Value variation and continuity in change are set to continue. The Local Government Act 1999 commits the government to diversity:

“authorities should draw from the best providers, whether in the public, private or voluntary sector, and plan positively for **diversity**: diversity in the way in which services are delivered; and diversity in their choice of provider.” (DETR Circular, 1999, p5).

One new research theme and three more critical questions are identified. Public management theory is developed by asking:

1. Is a public service quasi-market still emerging? If so, can it be mapped, what processes are taking place and is a new organisational form emerging?
2. What is the impact of the quasi-market on cost, working conditions and quality of service?
3. Is there a challenge to traditional approaches of accountability in government and to service users?

Critical questions one to three address the central theme of this research – the rise and rise of the NPM. This chapter and the NPM literature review (Chapter Two, pp 15-58) indicate that the private sector is playing an important role in public service organisation and management, especially through the introduction of private sector finance, provision and regulation (Salter, 1998 and Rothstein, 1998). Understanding about quasi-market development will be improved by addressing three specific issues: quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

Before answering the critical questions, the next chapter (Four) will discuss the choice of research design – the selection of a triple methodology which was applied to council housing management. Chapter Four will also unite the NPM and CCT research themes and critical questions.

CHAPTER 4

THE TRIPLE METHODOLOGY – A MULTI-LEVEL ANALYSIS

“A sadder and a wiser man,
He rose the morrow morn.”

S.T. Coleridge: Ancient Mariner

Introduction

The purpose of this chapter is to discuss the choice of research design – the selection of a triple methodology which was applied to council housing management in the UK and, in particular, England. The triple methodology refers to the selection of an appropriate research method at three levels of change, the macro (environment), meso (public service) and micro (organisation) levels, to characterise, map and explain variation in NPM diffusion. It draws on the methodological principle of stratigraphy – one level is layered on another. In archaeology and geology the different levels represent different time levels – the most recent are at the top. (Fagan, 1978.) Because the time frames in organisations are relatively short, measured in decades not millennia, the different levels represent theoretical and empirical motors of and barriers to change (Pettigrew, 1990 and 1997).

At the macro level the NPM and CCT literature reviews theoretically characterised the NPM and identified research themes and critical questions. The themes and questions are tentative framework builders, instead of predictive propositions (Fenton, 1996). At the meso level two mapping studies will empirically map and in part explain variation in NPM diffusion. They will employ the quantitative method of content analysis – they will analyse the content of two documentary sources published by twelve local housing authorities in

1994. At the micro level case study work will empirically confirm the results of the two mapping studies by demonstrating variation even in two Conservative authorities, explain variation in NPM diffusion in greater detail and improve understanding about quasi-market development. The case study work will employ the qualitative method of the comparative, longitudinal and processual case study method – it will analyse two of the above authorities (Pettigrew, 1990 and 1997).

The limitations of the triple methodology will also be discussed. This acknowledges the politics of research which is “complex, and researchers neglect them at their peril.” (Easterby-Smith, Thorpe and Lowe, 1991, p43). Nevertheless, using Coleridge’s metaphor, by employing the triple methodology, the researcher, like the Ancient Mariner, emerged a wiser man. The metaphor will be returned to in the concluding remarks.

The chapter is divided into five sections. First, it will discuss the need for methodological and empirical rigour in NPM research and how it has been achieved. Second, it will discuss the research strategy by explaining why the triple methodology was applied to council housing management and the sequence and timing of data collection and analysis. Third, it will discuss the literature reviews. Fourth, it will discuss the mapping studies. Fifth and last, it will discuss the case study work.

Methodological and empirical rigour in NPM research

Need for rigour

The chapter aims to promote transparency and confidence in this research’s findings. This section will discuss the need for “Methodological and Empirical Rigour” (Ferlie, 1999,

p22) in NPM research and how it has been achieved. In Chapter Two (p16) it was noted that Barberis (1998) believes that it is necessary to look at the sharp end – the NPM in practice. Ferlie (1999) has made a different but similar plea about the need for rigour:

“We need a small group of investigators who can collect substantial and rigorous data bases needed to tackle the big policy questions.” (p22).

Such pleas may be viewed as a response to the NPM being an emerging field of study which raises the problem of NPM characterisation, especially at the theoretical level of analysis. Chapter Two (ibid and pp 55-6) also highlighted this problem.

Achieving methodological rigour

Methodological rigour is achieved by locating the ontological and epistemological underpinning of the triple methodology. The meaning of ‘ontology’ and ‘epistemology’, the disagreements between and within the quantitative and qualitative traditions and the ontological and epistemological underpinning of the triple methodology will be discussed. Ontology concerns the nature of ‘reality’ which at one extreme is conceived as being external or independent of an individual and at the other as internal or constructed by each individual. Epistemology concerns the nature of ‘knowledge’ which at one extreme is conceived as being positivistic by focusing on universal facts and at the other as phenomenological by focusing on a variety of values and meanings. (Archer, 1987.)

Debates about ontology and epistemology take place through discussions about the merits of the quantitative and qualitative traditions. The quantitative tradition stresses an external reality which consists of facts. An early and influential proponent was Comte (1853) who said: “All good intellects have repeated, since Bacon’s time, that there can be

no real knowledge but that which is based on observed facts.” (quoted in Easterby-Smith, Thorpe and Lowe, 1991, p22). The qualitative tradition stresses an internal reality which consists of values and meanings. An early and influential proponent was Husserl (1946) who notes that human action arises from the sense that people make of different situations rather than as a direct response from external stimuli (Easterby-Smith, Thorpe and Lowe, 1991).

Easterby-Smith, Thorpe and Lowe (ibid) demystify the disagreements between and within the quantitative and qualitative traditions by stating that

“Each of these positions has to some extent been elevated into a stereotype, often by the opposing side ... when one looks at the practice of research ... there are many researchers, especially in the management field, who adopt a pragmatic view by deliberately combining methods drawn from both traditions.” (p22).

For clarity, it is necessary to identify these disagreements. In organisation and management studies Douglas (1971) represents the quantitative tradition: “the only valid and meaningful phenomena (or hard, scientific) evidence concerning socially meaningful phenomena we can possibly have is that based ultimately on systematic observations of everyday life” (quoted in Knorr-Cetina, 1981, p7). The quantitative tradition is resurgent because it locates “Management Causal Powers” (Tsoukas, 1994, p296 and Sarre, 1987). Winch (1958) represents the qualitative tradition arguing that natural science methods are ill-suited to social science fields because the role of social science is to offer insight and critique rather than to look for empirical regularities leading to causal explanations of phenomena (referred to in Archer, 1987). The qualitative tradition is increasingly popular because it captures organisational variety: “the production of organization rather than the organization of production” (Cooper and Burrell, 1988, p106).

Within the qualitative tradition Mintzberg (1979a) represents the grounded approach (Glaser and Strauss, 1967) by advocating 'direct research'. This involves "pure description (unladen with theoretical presuppositions) from which conclusions are then drawn by means of inductive inferences in the form of 'creative leaps'." (Archer, 1987, p4). Still within the qualitative tradition Miles (1979) represents a less inductive approach by emphasising "well-formulated methods of analysis", "guidelines for protection against self-delusion" and "explicit preliminary frameworks" (pp 590-1).

Miles' (ibid) approach combines research methods drawn from both the quantitative and qualitative traditions. His approach is echoed by Easterby-Smith, Thorpe and Lowe's (1991) observation that the practice of research combines methods drawn from both traditions. This position maximises the possibility of achieving valid findings – it maximises the possibility of getting reasonable access to knowledge about an organisation (Van de Ven and Poole, 1989 and Pettigrew, 1997).

A conclusion to be drawn from these disagreements is that "There are many potential choices to make when developing a research design" (Easterby-Smith, Thorpe and Lowe, 1991, p33). The ontological and epistemological underpinning of the triple methodology is the selection of an appropriate research method at three levels of change to characterise, map and explain variation in NPM diffusion. This choice was made because it combines research methods drawn from both the quantitative and qualitative traditions to maximise the possibility of achieving valid findings. The selection of an appropriate method is achieved by linking design to "the nature of the social phenomena to be explored"

(Morgan and Smircich, 1980, p491) – different research themes and critical questions should be investigated with different methodologies (Brownell and Trotman, 1988).

Pettigrew (1997), in a recent methodological development, is “attempting to combine the strengths and weaknesses of our [Centre for Creativity, Strategy and Change, Warwick Business School, the University of Warwick] customary comparative longitudinal case study work with large scale mapping studies of the phenomena under investigation.” (p347). The triple methodology is an example of the Centre’s recent work. It interconnects vertically through different levels of society (Pettigrew and Whipp, 1991 and Pettigrew, Ferlie and McKee, 1992) and combines mapping studies with case study work (Pettigrew, 1997). It differs from the Centre’s work in that it specifies three levels of change and selects an appropriate method for each.

Achieving empirical rigour

Empirical rigour is achieved by addressing the three outside scrutiny modes of generalisability, reliability and validity. These modes are used by both the quantitative and qualitative traditions. Generalisability assesses the probability that patterns observed in a sample will also be present in the wider population from which the sample is drawn. (Easterby-Smith, Thorpe and Lowe, 1991.) The NPM may be generalisable in the sense that ideas generated in one setting have been applied in another. The ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) have been successfully applied to local authority housing.

Reliability assesses whether the same results can be achieved on different occasions, assuming that there is no real change in what is to be measured (Easterby-Smith, Thorpe and Lowe, 1991). The findings may be reliable. The researcher yielded similar results on different occasions – in the first and main mapping study he achieved a coding reliability rating of 97.87%. The computation of the coding will be discussed later. He also made similar observations by using different data sets: the second and supporting mapping study corroborated the first's results and the first's results were confirmed by the case study work. One limitation is that similar observations have not been made by different researchers. This is offset by the researcher's coding reliability rating being computed six months after the coding was initially done – he yielded similar results on two occasions separated by six months. Other limitations of the triple methodology will be discussed as the chapter progresses.

Validity assesses whether an instrument measures what it is supposed to measure or whether the researcher has gained full access to the knowledge and meanings of informants (ibid). The findings may be valid in the second sense. By combining research methods drawn from both the quantitative and qualitative traditions and still achieving reliable findings, it may be concluded that reasonable access to knowledge about the local housing authorities in the research and the NPM have been gained (Van de Ven and Poole, 1989 and Pettigrew, 1997). The empirical evidence presented in the following Chapters (Five to Nine, pp 147-409) will support this assertion. In short, Chapter Five will describe and analyse the research findings of the two mapping studies and demonstrate that the second and supporting study corroborated the first's results. One quantitative study will support another. Chapters Six and Seven will describe and analyse

the research findings of the two case studies and confirm the results of the two mapping studies by demonstrating variation even in two Conservative authorities. A qualitative study will support the two quantitative studies. Chapters Eight and Nine will summarise the conceptual, methodological and empirical contributions of this research.

Research strategy

Before turning to discuss the triple methodology, this section will discuss the research strategy by explaining why the triple methodology was applied to council housing

management in England and the sequence and timing of data collection and analysis. Council housing management was selected because council housing is one of the two oldest welfare privatisations:

“There were really only two efforts to implement the ‘new right’ policy of state withdrawal from welfare activities: the attempt to privatise pensions and the privatisation of council housing.” (Flynn, 1997, p35).

Bramley (1997) explains the targeting of council housing in terms of four “interconnections”: “demography; economic change; ideology and political calculation.” (p391). These interconnections are mostly associated with the 1977 policy review. By demography he means “the achievement of a broad balance of supply and demand.” (p405). In other words, having achieved a balance of supply and demand, there was the opportunity to shift the focus away from council housing construction to experimenting with other issues, like promoting home ownership (Flynn, 1997). Bramley (1997) identifies two economic changes: “fiscal squeeze ... of modern welfare states” (pp 394-5) which adversely impacted on housing expenditure because it “comprised a large element of capital investment” and does “not entail ... sacking public sector employees” (p395) and “economic growth” reinforcing “demand for owner occupation” (p396). By ideology he means “New Right thinking” especially “reduce[ing the] direct role of the state in providing and financing housing” (p398) and by political calculation “cyclical fluctuations in policy attention” (p405), for example, after “the collapse of the housing market after 1989” (p401).

England was selected in order to narrow the focus of the research project, which made the project more modest and its completion achievable. In particular, England was selected

because the researcher, as a management consultant, had worked on numerous consultancy projects in a variety of English local housing authorities.

The sequence and timing of data collection and analysis, like the plan of the thesis, was determined by the logic of needing one piece of information in order to find another. The first pieces were found theoretically at the macro level, the middle pieces empirically at the

meso and micro levels and the last pieces theoretically at all levels. In other words, the sequence and timing of data collection and analysis moved from the NPM and CCT literature reviews to the two mapping studies and to the case study work.

There was also reflexivity in that earlier work was revisited. The literature reviews were continuously updated. After completing the first and main mapping study the results from the first four local housing authorities were checked by the researcher for his coding reliability. After writing up the Trafford case study the researcher met one of the interviewees by chance at a conference and took the opportunity to ask how CCT implementation was progressing. After writing up the Westminster case study the researcher realised the need to move from reading the secondary media accounts of an Appointed Auditor's inquiry to reading the primary account of the Report. The mapping and case study results were continuously reflected on to increase the sophistication of interpretation.

The literature reviews, the two mapping studies and the case study work will be discussed in turn. The mapping and the case study work have been divided into three sub-sections to discuss methodology, data collection and analysis. Analysis has been subdivided into three phases: preparatory, cross data analysis and meta-level analysis.

NPM and CCT literature reviews

The purpose of the NPM and CCT literature reviews was at the macro level to theoretically characterise the NPM and identify research themes and critical questions. Three literatures were searched (public management, social and generic organisational

theory) which became the NPM and CCT literature reviews. Reviewing lasted the duration of the research (1994-2000). In January 1999, for example, fourteen social policy journals covering 1996, 1997 and 1998 were searched to locate articles containing the 'NPM' label in either the title or the abstract. Figure 4.1 lists the journals.

Figure 4.1: Social policy journals included in a recent literature search

Accounting, Organizations and Society	Policy Studies
Fiscal Studies	Public Administration
Journal of Public Policy	Public Administration Review
Local Government Studies	Public Policy and Administration
National Institute Economic Review	Social Policy and Administration
The Netherlands' Journal of Social Sciences	Urban Studies
Policy and Politics	Work, Employment and Society

The journals were selected because of their academic merit. 'Public Money and Management' was not included because the library where the search was carried out, University of Salford, only shelved issue numbers for one (1996) of the three years.

Having already theoretically characterised the NPM and separately identified research themes and critical questions, this section will unite the NPM and CCT themes and questions. The NPM and CCT literature reviews identified four themes and eleven questions. First, public management theory is developed by directly addressing the central theme of this research. Questions one to four test the presupposition that the NPM exists and that the NPM has real meaning and empirical significance. In other words the NPM will be characterised, mapped and its rise and rise explained. The critical questions are:

1. Can Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM characterisation be deconstructed into a NPM typology with indicators to be tested empirically?
2. Does the NPM exist?
3. Does it vary between and within cases? In other words, what is the pace of change?

4. Having proposed ten NPM diffusion factors at the macro level, how do they manifest themselves at the meso and micro levels, what are the motors of and barriers to change and what are the links between the three levels? In other words, what is the depth of change?

Second, social theory is confirmed by focusing on the NPM typology. Critical questions five to seven are founded on two assumptions. First, it is assumed that the NPM can be interpreted as the fall and rise of management ideologies and citizenship concepts (Child, 1969; Barley and Kunda, 1992; Grint, 1997 and Faulks, 1998). Second, existing social theory interprets the process of organisational life as a dynamic and constant struggle between networks of members which represent the different ideologies and concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Founded on the two assumptions, the NPM typology will be used to show that different NPM types, managerial ideologies and citizenship concepts seem to be in struggle. The critical questions are:

5. Can the NPM typology be used to show that different managerial ideologies and citizenship concepts are in struggle?
6. If so, which managerial ideologies and citizenship concepts are being adopted by public service organisations? In particular, can the diffusion of the NPM types be mapped and explained?
7. Having established the environment or outer context of change at the macro level, what is the inner context, content and process of change at the meso and micro levels? In particular, what are the links between policy formulation and implementation and the role of individuals and their networks?

Third, generic organisational theory is contributed to by focusing on the implications of showing that different debates about different NPM types, managerial ideologies and citizenship concepts seem to be in struggle. Critical question eight contributes to a debate about models of patterns of change. There is a continuing debate within organisational theory about whether organisations vary (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) or whether they are similar (Powell and Di Maggio, 1991 and Kitchener, 1998).

The debate will be contributed to by empirically revealing that there is variation in public service organisation and management. The critical question is:

8. Is there variation or isomorphism in public service organisation and management?

Fourth and last, public management theory is developed by returning to the central theme of this research – the NPM. The NPM literature review (Chapter Two, pp 15-58) and the CCT literature review (Chapter Three, pp 59-93) indicate that the private sector is playing an important role in public service organisation and management (Salter, 1998 and Rothstein, 1998). Critical questions nine to eleven will improve understanding about quasi-market development by addressing three specific issues: quasi-market emergence, the changing patterns of public service work and the challenge to accountability. The critical questions are:

9. Is a public service quasi-market emerging? If so, can it be mapped, what processes are taking place and is a new organisational form emerging?
10. What is the impact of the quasi-market on cost, working conditions and quality of service?
11. Is there a challenge to traditional approaches of accountability in government and to service users?

Two mapping studies

Methodology

The meaning of ‘mapping’, the purpose of the two mapping studies and the choice of research method will be discussed. A dictionary definition of mapping as a verb is “to survey in order to make a map” (Longman New Universal Dictionary, 1982). A definition of map is “something that represents with a clarity suggestive of a map” (ibid). Schatzman and Strauss (1973) add that having drawn the map, the researcher “can begin to coordinate some facts and inferences, and develop some cogent propositions along with

plans for checking them out.” (p38). In other words, mapping is used when the researcher “does not yet have a workable and reliable perspective on the whole of his field” (ibid, p34), is a surveying process and has a purpose. It can be used for “the study of social movements” but “such maps are rare and probably not very reliable because of the more ephemeral nature of members and activities” (ibid, p35).

The purpose of the two mapping studies was at the meso level to empirically map and in part explain variation in NPM diffusion. They employed the quantitative method of content analysis – they analysed the content of two documentary sources published by twelve local housing authorities in 1994.

Documentary data were selected because they “provide a key source of data on events or groups too small or scattered or otherwise difficult to trace for national interview surveys to be a realistic possibility.” (Hakim, 1993, 1997 edition, p133). Hakim (ibid) emphasises that this data is suitable “for research on the policy process itself ... Albeit incomplete accounts, are part of the reality being studied” (p134).

Documentary data is mapped through content analysis. Content analysis traditionally counts key phrases or words and the frequencies are then analysed. The selection of these depend on the research themes and critical questions being investigated. (Easterby-Smith, Thorpe and Lowe, 1991.) As a consequence, content analysis is time intensive. In this research, content analysis counts different ideas about the NPM. These ideas are formalised into a NPM typology with indicators.

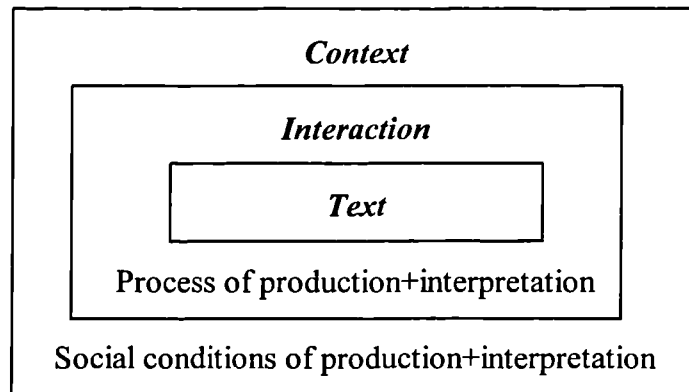
Content analysis is particularly useful when frequencies are required from qualitative or unstructured data to facilitate cross-sectional analysis (Carney, 1972 and Jupp and Norris, 1993, 1997 edition). It is also useful when inferences are required about “what is ‘written between the lines’” (Carney, 1972, p25). In this research, content analysis facilitates cross-sectional analysis between twelve local housing authorities.

Content analysis, however, only “gets the answers to the question with which it is supplied.” (ibid, p283). In this research, the success of the two mapping studies is determined by the construction of the NPM typology, the selection of the five key word indicators and the analysis of both. In short, are the NPM indicators appropriate and is the coding accurate? These questions will be addressed after the data collection section.

Content analysis also presupposes the significance of discourse. Some scholars may question the capacity of discourse to produce valid results on the grounds that documentary data only contains incomplete accounts of the reality being studied. This is true, but documents are a key source of data on geographically scattered events which make interviewing difficult and although they are incomplete accounts they are part of the reality being studied (Hakim, 1993, 1997 edition).

Indeed, discourse is part of social change and can be used to reveal invisible idea maps. This is because different kinds of social change are encoded and expressed in documents (Mannheim, 1936, 1954 edition; Foucault, 1971, 1977 and 1978; Thompson, 1987 and Fairclough, 1989b, 1995 edition). Fairclough (1989b, 1995 edition) expresses this relationship in a diagram. Figure 4.2 reproduces that diagram.

Figure 4.2: Discourse as text, interaction and context



Fairclough (ibid) is suggesting that social change (context) is encoded and expressed in documents (text) through the process of interaction. Social conditions (for example, the organisation that a person belongs to) shape the ideas that people bring to the production and interpretation of a document. The social conditions in turn shape the way in which the document is produced and interpreted. Wilson (1992) openly asks: “So what has all this to do with organizations and change?” (p56), and he answers with, “almost everything.” Vocabulary, he argues: “represents an implicit, unseen moral orthodoxy against which the success or failure of change outcomes will be valued ... The process of change thus becomes one of negotiation and persuasion between groups who assume automatically that they are in the right and reflect this both in actions and in words.” (p57). The purpose of discourse and content analysis is to make connections between the language in the document and the big issues that lie behind documents.

Butler and Keith (1999) have empirically investigated “how different kinds of social power are encoded and expressed in written texts ... [making] connections between the language in the text (lexis and grammar) and the big issues that lie behind texts.” (p iv). One way of

making a connection between discourse and social change is to analyse social roles and power relations. What is the status and assumed or adopted role of the writer(s) (authoritative/authoritarian)? What role is assigned to the reader (it may be welcomed or resented but it is frequently unnoticed and, therefore, complied with)? What roles are assigned to persons in the text itself (who is proactive, reactive inert, passively acquiescent)? (Ibid.)

Documents reveal invisible ideas maps because they put ideas onto paper and the ideas become measurable. In this research, content analysis was used to reveal the NPM ideas map.

Data collection

The selection of the two documentary sources and the twelve local housing authorities will be discussed. The Housing Improvement Programme (HIP) strategy statement and the Annual Report to tenants were analysed. Two sources were selected to maximise the possibility of achieving valid findings. The strategy statement and the Annual Report were selected because of their accessibility (they are publicly available), comparability (every authority publishes both documents yearly) and association with the NPM (the Local Government and Housing Act 1989 introduced the Annual Report in the period when CCT was being extended in local government).

Authorship is anonymous but during data collection the researcher was informed that the two documentary sources are written by middle managers located on the client (rather than the contractor) side of a local housing authority. The writers are guided by the

government. The strategy statement is part of the housing investment programme. Each year an authority submits a bid for capital funds, which are allocated in December. 40% of funds are mandatory and allocated by housing need, whilst 60% are discretionary and allocated by performance. Performance is rated on a five point scale: one represents outstanding performance, three average performance and five poor performance. The DETR uses five criteria to rate performance:

- "Quality of the Housing Strategy" (will local housing needs be met and are these determined by recent data?)
- "Implementation of Capital Programmes" (is the authority reliable?)
- "Enabling Role" (are there details of how the authority will liaise with Registered Social Landlords (RSLs) (housing associations?)
- "Management Practices in Landlord Role (Use and Safeguarding of Capital Resources)" (how is the authority performing in key areas like rent arrears and empty properties?)
- "Tenant and Resident Consultation and Participation" (does it happen and are Tenant Management Organisations being established?) (DoE, 1993b, Annex A and 1993a).

It also specifies the performance indicators to be published in the Annual Report through The Reports To Tenants Determination (DoE, 1990, for Reports up to and including 1993-4, and DoE 1994b, for Reports from then).

As a consequence, the strategy statement and the Annual Report are taken seriously both by the government and local housing authorities. This minimises the possibility of the two documentary sources only containing rhetoric. They change, however, little from year to year, but this is an advantage because any variation that is exposed between and within the authorities must be significant.

The twelve local housing authorities were selected according to a sample rationale which strikes a balance in: political context, organisation size, performance rating and

geographical location. There are six Conservative and six Labour authorities, six larger Metropolitan District Councils (MDCs) and six smaller District Councils (DCs), five authorities above average, four below and three average and six authorities located in the north and six in the south. Geographical location is notionally divided by the Anglo-Saxon Danelaw line, running along the Roman Watling Street from Chester to London (Wood, 1985, p123).

Political context is the first element of the sample rationale because the CCT literature review emphasised the key role of party politics in organisational change (Chapter Three, pp 59-93). In the review, at the macro (environment) level, it was established that the history of CCT legislation in local government (1980-2000) was dictated by the DoE (Chapter Three, pp 89-90). The DoE was in turn influenced by Margaret Thatcher's and John Major's commitment to privatisation. In the review, at the micro (organisation) level, it was noted that Lewis and Glennerster (1997) found that political context is important, although they are "not clear" (p199) about its role (Chapter Three, Figure 3.7, p87).

Organisation size is the second element of the sample rationale because, as part of the local government belief system, it is presupposed that larger MDCs are more likely than smaller DCs to be high change receptive contexts for change (drawn from the researcher's experience as a management consultant). There is some empirical evidence to support this presupposition. In the CCT literature review, it was also noted that a LGMB survey (1992) revealed that local councillors are most closely involved in CCT implementation in

the London boroughs (one type of MDC) and least involved in the DCs (Chapter Three, p77).

Performance rating is third element of the sample rationale because, as has been discussed above, there is data available about how local housing authorities perform and this information can be used to assess whether performance contributes to NPM diffusion. Whereas the DETR rates performance on a five point scale (from outstanding to poor), in this research the scale has been simplified into three categories: above average, below average and average.

Geographical location is fourth and last element of the sample rationale because the researcher wishes to investigate whether there are north/south differences contributing to NPM diffusion. The researcher acknowledges that the Danelaw division might be considered crude and that authorities located in the Midlands might object to being labelled as northern. Nevertheless, given the small sample (twelve authorities) and wishing to investigate whether there are north/south differences, the researcher has adopted the Danelaw as a notional north/south division.

Figure 4.3 links the sample rationale to the sample used.

Figure 4.3: Linking the sample rationale to the sample used

Performance Rating	Geographical Location	Political Context		Organisation Size
		Conservative	Labour	
Average	North	Trafford	Coventry	6 Large
Above Average	South	Westminster	Camden	
Below Average		Redbridge	Waltham Forest	
Above Average	North	South Northamptonshire	Carlisle	6 Small
Below Average		Macclesfield	North Warwickshire	
	South	South Bedfordshire (Average)	Stevenage (Above Average)	

The sample was informed by a discussion with a DoE civil servant responsible for housing from each of the ten central government Regional Offices: Northern, North West, Merseyside, Yorkshire and Humberside, West Midlands, East Midlands, Eastern, South West, South East and London. The discussions began by the researcher briefing the civil servant about the nature of the research. Civil servants from the Yorkshire and Humberside, West Midlands, East Midlands, Eastern and South East Offices were obstructive. Bramley, from the Eastern Office, gives the reason: “information about banding is regarded by the DoE as a matter between the Department, this Office and the Authorities ... If we were to release the information, it might, in future, harm the frankness and candour of discussions” (letter, 22 March 1996).

Despite these discussions the sample used does not completely obey the sample rationale. In terms of political context, in 1993-4 Redbridge had lost its Conservative majority to no overall control. In terms of performance rating, the researcher had intended to select six

above average and six below average local housing authorities. Instead, three out of the twelve authorities are rated as average rather than either above or below average.

In Chapter Three (p90) it was noted that Arnold-Forster (1993) reported that local housing authorities were separated into five bands with different timetables for CCT implementation. Although there were five bands CCT implementation began either in April 1996 (bands 1, 3 and 5) or April 1997 (bands 2 and 4). Camden, Carlisle, Coventry, Macclesfield, South Northamptonshire, Stevenage and Westminster were exposed to CCT in April 1996, whilst North Warwickshire, Redbridge, South Bedfordshire, Trafford and Waltham Forest were exposed in April 1997.

The two documentary sources used in the two mapping studies were published in 1994. 1994 was selected because it was the year of the documentary sources' most recent publication. One documentary source was published earlier in 1992 (South Northamptonshire's strategy statement – this was a draft for publication either in 1993 or 1994) and one was published later in 1995 (Macclesfield's Annual Report). As a consequence of these publication dates, the mapping studies capture the state of the market in local authority housing as it geared up to CCT. Arnold-Forster (*ibid*) also reported that the government was forcing authorities to begin preparations between April 1993 and April 1994. Nevertheless, the different timetables for CCT implementation, though only a year apart and several years in the future (April 1996 and April 1997), could have affected the pace of change.

Analysis

Preparatory phase

The two mapping studies were informed by the literature reviews and prepared for through a pilot study and by contributing to a Masters course. Despite these preparations a further modification to the mapping studies was needed once they had begun – they were scaled down. The pilot study (Autumn and Winter 1994) involved collecting the documentary sources from thirteen housing authorities local to the Centre for Creativity, Strategy and Change. Balances in political context and organisation size were maintained, but not performance rating. Data collection was by telephone and eight of the authorities responded. The sources were analysed by constructing an embryonic NPM typology founded on Ferlie's (1994) four NPM variants. Ferlie's (ibid) approach was selected because at that time his theoretical work was unique. The analysis concluded that mapping was possible because the sample rationale could structure a sample, the documentary sources could empirically reveal that the NPM exists and varies between and within cases and appropriate organisations for case study work could be identified. It also concluded that two changes should be made: data collection should be by letter instead of telephone to formalise the process and increase the response rate and mapping would not be longitudinal or comprehensive (a 100% sample) because of the time intensive nature of content analysis exacerbated by the length (up to one hundred pages) of the strategy statement.

The researcher contributed to a Masters course (June 1995) at the Centre for Housing Management and Development within the Department of City and Regional Planning, Cardiff University. He discussed the NPM with two sets of senior managers and asked

them to review their organisations in terms of a draft copy of the NPM typology. The results confirmed the pilot study's conclusions but two sets of NPM indicators were added. First, it was necessary to justify why enterprising government is a real phenomenon and to reflect that resources are secured in several ways: indicators 3.4.b (Investing capital receipts) and 3.4.c (Selling capital assets) were added. Second, the citizen/customer debate has simplified the nature of social relations between a local housing authority and its service users (for example, Cairncross, Clapham and Goodlad, 1997). In addition to indicators 2.2.c (Specific organisational usage of the word 'customer') and 4.4.a (Specific organisational usage of the word 'citizen'), three other key word indicators were added (people, tenant and resident). The five key word indicators formed the second and supporting mapping study.

Despite these preparations a further modification to the two mapping studies was needed once they had begun – they were scaled down (October 1995). In Spring 1995 they were originally conceived to map 27.2% of all English local housing authorities (ninety-nine out of three-hundred-and-sixty-four). After one case they were scaled down because of the time intensive nature of content analysis to the sample identified in Figure 4.3. The sample rationale was applied before and after the scaling down.

Cross data analysis phase – NPM typology construction

This phase has been divided in two: NPM typology construction and NPM typology analysis. The meaning of 'typology', the assumption underlying the NPM typology and how the typology was operationalised will be discussed. A dictionary definition of typology is "the doctrine, study, or analysis and classification of types" (Longman New

Universal Dictionary, 1982). In other words, they are “a sophisticated information storage and retrieval system.” (Rich, 1992, p758) combining “greatest information content with greatest ease of information retrieval” (Mayr, 1969, p98). In organisation and management studies they are “a popular approach for thinking about organizational structures and strategies.” (Doty and Glick, 1994, p230, for example, Miles and Snow, 1978 and Mintzberg, 1979b and 1983).

Doty and Glick (1994) criticise the organisation and strategy literature because organisations do not fall into mutually exclusive sets, instead, organisations are complex and can be influenced by multiple ideal types which “fit” in different ways (p244). As a consequence, organisations can reach the same end by following a variety of paths (Katz and Kahn, 1966, 1978 edition and Van de Ven and Drazin, 1985) which allows for the possibility of the evolution of new organisational types (Doty and Glick, 1994). Doty and Glick’s (ibid) multiple ideal types are consistent with this research’s second research theme about the process of organisational life has been interpreted as a dynamic and constant struggle between agent networks representing different managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Doty and Glick’s (1994) multiple ideal types are also consistent with the paradigm debate which has moved from a unitary to a pluralist perspective. Kuhn (1962) represents the unitary perspective – one paradigm is replaced by another and they do not coexist, whilst Knights (1997) represents the pluralist perspective – multiple paradigms coexist.

This research theoretically develops Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM characterisation and tests it empirically. Their characterisation is described in Chapter Two (pp 19-20) and its importance is discussed above. Their four NPM models and the researcher's NPM typology share the assumption that the NPM can be interpreted as the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997). The researcher's NPM typology also interprets the NPM as the fall and rise of citizenship concepts (Faulks, 1998). To be explicit, each NPM model and type symbolises a managerial ideology, two of the types symbolise citizenship concepts and together they symbolise the existence of multiple ideal types (Doty and Glick, 1994).

The researcher's NPM typology operationalised Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) four NPM models by deconstructing them into four types with indicators, by supplementing their work with the NPM and CCT literature reviews and by reflecting on the contribution to the Masters course (Summer 1995). Each of the four NPM types contains a unique combination of multiple indicators. It is the use of NPM indicators which theoretically develops Ferlie, Ashburner, Fitzgerald and Pettigrew's (ibid) NPM characterisation because they enable the NPM to be counted, mapped and explained.

NPM type 1: Management by command and control – the Audit Society

NPM type 1 symbolises Neo-Taylorism (ibid and Pollitt, 1993, 1993 edition). Taylor (1911) pursued efficiency (increasing output per worker and reducing deliberate underworking), standardisation (of job performance by dividing tasks into small and specified subtasks) and discipline (establishing management by command and control). NPM type 1 “can be seen as the earliest model to emerge” (Ferlie, Ashburner, Fitzgerald

and Pettigrew, 1996, p10). It stretches back at least to 1951 when the Conservative government reduced income tax, introduced prescription charges, reduced NHS staffing levels and cut education spending. It is associated with NPM phase 1 (1979-87) – the transition from public administration to NPM type 2, and is characterised by an incremental shift in social policy – the efficiency drive through management by command and control. NPM type 1 is currently resurgent because of the prevalence of counting (Power, 1996) and the present government's programme of establishing clear performance frameworks for certain services, like local government (DETR, 1999). Social policy activity targeted central government (the Efficiency Unit and the FMI sought efficiency savings), selling capital assets (industry and welfare privatisation) and creating an environment for change (civil servants were symbolically associated with inefficiency). (Chapter Two, pp 41-3.) Figure 4.4 identifies NPM type 1's indicators.

Figure 4.4: NPM type 1: Management by command and control – the Audit Society

- 1.1: Results-oriented government – funding outcomes, not inputs**
 - 1.1.a Specific organisational usage of the phrase ‘value-for-money’ (doing more with less)
 - 1.1.b Referring to the need to check resource demands
 - 1.1.c Specific organisational usage of the word ‘performance’ (including similar words, for example, ‘performed’ and ‘outperforming’, in other words, keeping the meaning of the original word)
 - 1.1.d Using performance indicators (PIs)
 - 1.1.e Expressing PIs in quantitative terms, especially for professional services
 - 1.1.f Expressing PIs in financial terms
 - 1.1.g Holding individual managers responsible for achieving the PIs, though it may only involve named senior managers
- 1.2: The construction of general management**
 - 1.2.a Organisational structures and/or pay scales which reflect the shift of power to general managers from professionals (horizontal change)
 - 1.2.b Management processes which indicate innovative forms of manager, professional and lay member participation
 - 1.2.c Offering management training to professionals
 - 1.2.d Reducing professional self-regulation, which includes more transparent forms of self-regulation
- 1.3: New forms of corporate governance**
 - 1.3.a Marginalising elected representatives and trade unionists
 - 1.3.b Organisational structures and/or pay scales which reflect the shift of power to senior managers (vertical change)
 - 1.3.c Referring to a Board of Directors model
 - 1.3.d Including private sector members in the Board
- 1.4: Contract-based employment**
 - 1.4.a Introducing short term contracts for senior managers
 - 1.4.b Giving senior managers individually agreed and highly paid rewards packages
 - 1.4.c Introducing local pay
 - 1.4.d Employing a review-based management system, for example, appraisal

NPM type 2: Management by influence – the contract state

NPM type 2 symbolises the market economy (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996). It captures the current fashion within the private and public sectors to downsize and outsource (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). It also symbolises an aspect of the citizen/customer debate. It captures the service user as customer position which assumes that users can choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). NPM type 2 “can currently be seen as of increasing significance, undermining and contradicting some of the earlier changes brought about as a

result of the diffusion of NPM Model 1 ideas.” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p12). It is associated with NPM phases 2 and 3 (1988-April 1997) which for some are the full expression of the New Right philosophy – its ideological extreme (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). NPM type 2 is characterised by policy separation which divides policy formulation and implementation at the politician/senior manager interface and allows for the introduction of private sector finance, provision and regulation. This is the contract state which functions through management by influence. Social policy activity was comprehensive involving central government (the Next Steps Agency now sought the efficiency savings), local government (the Local Government Act 1988, for example, extended the number of public services subject to CCT) and the NHS (the 1989 White Paper ‘Working For Patients’, for instance, established the internal market). (Chapter Two, pp 43-5.) Figure 4.5 identifies NPM type 2’s indicators.

Figure 4.5: NPM type 2: Management by influence – the contract state

2.1: Catalytic government – steering rather than rowing	
2.1.a	Introducing market testing
2.1.b	Introducing contracting out, through voluntary or CCT
2.1.c	Specific organisational usage of the phrase ‘CCT’ (including similar phrases, for example, ‘competitive tendering’, ‘competitive tender’ and ‘Housing Management CCT’ (‘HMCCT’))
2.1.d	Introducing quasi-markets
2.1.e	Encouraging other, less obvious forms of contract management, which includes the increasing use of strategic alliances between organisations (networks)
2.2: Market regulation	
<i>Creating a competitive environment</i>	
2.2.a	Determining organisational processes to encourage competitor power, so that potential public service contractors/providers can enter the ‘market’ (defining anti-competitive behaviour)
2.2.b	Facilitating customer power and choice, through information flowing from different contractors/providers to customers (league tables) and establishing purchasing schemes (vouchers)
2.2.c	Specific organisational usage of the word ‘customer’
<i>Maintaining and improving service standards</i>	
2.2.d	Monitoring service standards, through establishing a complaints procedure and other forms of redress
2.2.e	Monitoring budgets to limit excessive cost-cutting and excessive billing, so that profit maximisation does not impede service delivery
2.3: Downsizing	
2.3.a	Shortening hierarchies
2.3.b	Reducing the numbers of senior managers
2.3.c	Reducing payrolls
2.4.d	Introducing short term contracts for contractor/provider staff
2.4: Management by influence	
2.4.a	Devolving management, through the introduction or greater use of cost centres
2.4.b	Decentralising services, through relocating staff either internally within the organisation or externally to new offices
2.4.c	Emphasising management by influence rather than management by command and control

NPM type 3: Management by staff inclusion – the excellence school

NPM type 3 symbolises the human relations school (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996 and Meek, 1988). The Hawthorne studies concluded that staff are motivated by more than pay and working conditions, by their need for recognition and a sense of belonging. Motivation is shaped strongly by peer group. (Roethlisberger and Dickson, 1964.) The human relations school has continuously been reinvented and an enduring example is the excellence school. During the 1980s management consultants with best-selling texts emphasised the importance of organisational culture and the

management of change (Peters and Waterman, 1982, 1993 edition). NPM type 3 is associated with all the NPM phases (1979-ongoing) – the transition from public administration to the NPM, and is characterised by balancing efficiency with quality. Management by staff inclusion is interpreted broadly – it contains Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) top down and bottom up change and adds an external focus: customer-driven, enterprising and anticipatory government. There are no distinctive social policy activities in the sense of a legislative programme. Figure 4.6 identifies NPM type 3's indicators.

Figure 4.6: NPM type 3: Management by staff inclusion – the excellence school

3.1: Top-down change or mission-driven government – transforming rule-driven organisations	
3.1.a	Specific organisational usage of the phrase 'organisational culture' (including similar phrases, for example, 'culture')
3.1.b	Introducing a managed culture change programme, which may be associated with a member of staff
3.1.c	Publishing a mission statement expressing core values
3.1.d	More intensive training programmes, which may be associated with a proactive human resource management function (trainers located within or outside personnel) or external consultants
3.1.e	Referring to symbols of good practice, which are associated with the culture change programme
3.2: Bottom-up change or changing the role of top management – beyond systems to people	
3.2.a	Backing for bottom up service champions
3.2.b	Backing mavericks
3.2.c	Emphasising management by staff inclusion (management by wandering about) rather than management by influencing or command and control
3.3: Customer-driven government – meeting the needs of the service user, not the bureaucracy	
3.3.a	Specific organisational usage of the word 'quality'
3.3.b	Referring to private sector quality initiatives, like Total Quality Management and Business Process Re-engineering
3.4: Enterprising government – earning rather than spending	
3.4.a	Taking a multi agency approach by creating links with other organisations
3.4.b	Investing capital receipts
3.4.c	Selling capital assets
3.5: Anticipatory government – prevention rather than cure	
3.5.a	Preventing problems, through raising public awareness
3.5.b	Anticipating the future, through long-range planning techniques (developing alternative scenarios)

NPM type 4: Management by social inclusion – the Third Way

NPM type 4 symbolises the attempt to combine private and public sector activities in a Third Way. There is a fusion of left and right political values. The traditional left political value of social justice is fused with the traditional right political value of the individual – rights are conditional on responsibilities. (Giddens, 1998.) Social theory translates into organisational theory through a “fusion of private and public sector management ideas” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p14). The Audit Society, the contract state and the excellence school are fused with the renewal of democracy. This is management by social inclusion. NPM type 4 also symbolises an aspect of the citizen/customer debate. It captures the service user as citizen position which assumes that users can participate in government to improve service delivery (O’Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996). NPM type 4 “is presently the least well developed and is still to reveal its full potential.” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p14). It is associated with NPM phase 4 (May 1997-ongoing) – the transition from Conservative to New Labour government from which the New Labour project and, in particular, its NPM stance has yet to fully emerge. It is characterised by a critique of NPM type 2 and policy separation. Social policy activity is comprehensive involving central government (quangos still exist but more local councillors are appointed), local government (Best Value has succeeded CCT but it retains the competitive element) and the NHS (despite the abolition of the internal market performance management remains). (Chapters Two, pp 45-6 and Three, pp 90-1.) Figure 4.7 identifies NPM type 3’s indicators.

Figure 4.7: NPM type 4: Management by social inclusion – the Third Way

4.1: Transformations and predicaments	
4.1.a	Choice can be achieved not only through competition, but also through public purpose, since service users have a diversity of needs and aspirations
4.1.b	Viewing the introduction of competition as a public service responsibility, subject to public accountability
4.1.c	Competition will transform the contractor/provider in unintended ways, through the over or under use of services or buildings which may eventually eliminate choice
4.1.d	Stressing the inadequate language of consumerism – the proper scope of social policy is the community, not just customers or individuals
4.2: Accountability through community governance – empowering rather than serving	
4.2.a	Specific organisational usage of the word ‘empowerment’ (including similar words, for example, ‘empowering’)
4.2.b	Replacing ‘exit’ with ‘voice’ by enhancing service user consultation and participation, through organisational design
4.2.c	Training service users in the key skills and knowledge that they need to effectively participate in community governance
4.2.d	Referring to social justice and the learning society: a new political/moral order in which citizens learn from one another through deliberation, judgement and action, a process conditioned by developing proactive individuals, who are recognised and valued by others and empowered by political structures (a Bill of Rights)
4.3: Accountability through elected representatives	
4.3.a	Stressing that the legitimacy of public services depends on citizen consent exercised through public and political discourse (deliberation), judgement and choice (action)
4.3.b	Enhancing the role of elected representatives, which is not constrained by management processes
4.3.c	Training elected representatives
4.3.d	Accepting the limitations of responsiveness to service users, through balancing core values: advice/enforcement, openness/security and responsiveness/rationing
4.4: Designing the public service organisation	
4.4.a	Specific organisational usage of the word ‘citizen’
4.4.b	Expecting openness about and access to the decision-making process
4.4.c	Stressing the role of judgement or discretion when measuring performance, through balancing the quantitative data of PIs with qualitative data about quality of life
4.4.d	Staffing for citizenship, through recruiting, training and promoting staff based on the above values

Cross data analysis phase – NPM typology analysis

Having constructed the NPM typology, Easterby-Smith, Thorpe and Lowe’s (1991) seven stage process was employed to analyse the content of the documentary sources (Summer 1995-July 1996) (pp 108-12). The first stage, familiarisation, involved reading the documentary sources, the second, reflection, related the data to the literature reviews and the third, conceptualisation, related the data to the NPM typology.

The fourth stage, cataloguing concepts, was the key stage – here the documentary sources were coded. During their rereading, the margin of each source was annotated with the relevant NPM indicator code. Three coding issues emerged. First, it has been noted that The Reports To Tenants Determination (DoE, 1990 and 1994b) specifies the performance indicators to be published in the Annual Report. This means that the Annual Report itself is evidence of indicators 1.1.d-f (Using performance indicators (PIs), Expressing PIs in quantitative terms, especially for professional services and Expressing PIs in financial terms). It is also clear that PIs are being used more generally and in a predetermined way. As a consequence, indicators 1.1.d-f have not been applied to the Annual Report. In addition, only indicator 1.1.d has been applied to the strategy statements. This is because indicators 1.1.e and f would have counted the same evidence as 1.1.d – the PIs tend to be expressed in quantitative and financial terms. In Appendix 2 indicators 1.1.e and f record the word ‘Yes’ to reveal that there is empirical evidence of these indicators.

The issue of only applying a NPM indicator to the strategy statements reoccurs on four other occasions and for the same reason – the Annual Report itself is evidence of the indicator. The issue applies to indicators 2.2.b. (Facilitating customer power and choice, through information flowing from different contractor/providers to customers (league tables) and establishing purchasing schemes (vouchers), 2.2.e (Monitoring budgets to limit excessive cost-cutting and excessive billing, so that profit maximisation does not impede service delivery), 3.5.a (Preventing problems, through raising public awareness) and 4.1.a (Choice can be achieved not only through competition, but also through public purpose, since service users have a diversity of needs and aspirations). The issue applies to indicator 2.2.b because the Annual Report is an information flow from the client side

about its contractors to its service users. It applies to indicator 2.2.e because the Annual Report monitors spending. It applies to indicator 3.5.a because the Annual Report discusses programmed repairs (for example, external repairs) and the Capital Programme (modernisation) which are aimed at reducing future expenditure on repairs. It applies to indicator 4.1.a because the Annual Report indicates that there is a choice of home (houses, flats, bungalows and hostel accommodation).

Second, this issue emerges from the first because it addresses a concern about PIs, that they do not just apply to one NPM type – they are found in other types. This is not quite true, PIs are found alongside the other NPM types. An indicator from NPM types 2-4 could have a PI attached to it. When this occurs, the passage in the documentary source is coded twice – once for the indicator from NPM types 2-4 and again for the PI. This double coding is consistent with Doty and Glick's (1994) criticism that organisations do not fall into mutually exclusive sets, instead, organisations are complex and can be influenced by multiple ideal types which fit in different ways.

Third and last, NPM indicator 2.4.b (Decentralising service, through relocating staff either internally within the organisation or externally to new offices) was interpreted qualitatively instead of quantitatively by the researcher. All the local housing authorities have decentralised externally. In Appendix 2 this indicator records the word 'External'.

The annotations were recorded in a manual data base. The data base was a matrix sheet where each NPM indicator was written vertically in numerical order. It recorded every reference to each indicator for the twelve local housing authorities. The references were

written as quotes with page references and separated by documentary source (the strategy statement and the Annual Report). This approach was adapted from Miles and Huberman (1984, 1994 edition). They (ibid) argue that in order to make cross-case data comparable common codes or reporting formats for each case are needed and a matrix facilitates this process. This approach follows Miles and Huberman (ibid) by using common codes (the indicators and addressing the three coding issues) and a common reporting format (the matrix sheet). It differs from them because whereas they move quickly onto partitioning and clustering the data to reveal patterns, the researcher, because of the amount of data he was processing, added a summarising stage and a simplifying stage before pattern-seeking. These stages are part of the meta-level analysis phase.

The fifth stage, recoding, involved repeating the fourth stage for the first four local housing authorities to check the researcher's coding reliability. In the first and main mapping study the researcher achieved a reliability rating of 97.87%. The figure is derived from Camden's strategy statement – the last documentary source to be recoded. Sixteen additional NPM references were found. Given that there are seven-hundred-and-fifty-two references, including the sixteen additional references, this represents a reliability rating of 97.87%. The sixth and seventh stages, linking and re-evaluation, form the meta-level analysis phase.

Meta-level analysis phase

This phase is formed by the last two stages of Easterby-Smith, Thorpe and Lowe's (1991) seven stage process: linking and re-evaluation. In the linking stage the researcher partitioned and clustered the data (Miles and Huberman, 1984, 1994 edition) and in the re-

evaluation stage he shared the results with his supervisors whose comments were reflected on. The linking stage will be expanded on and the limitations of mapping will be discussed.

Expanding on the linking stage, Appendix 2 contains the complete results. It quantitatively summarises the data collected during the two mapping studies. It was computed by summarising the manual data base which involved counting the references to each NPM indicator for the twelve local housing authorities. Chapter Five (pp 147-202) simplifies Appendix 2 by focusing for the first and main mapping study on the cumulative counts for each NPM type and for the second and supporting study on the weighted counts for the five key word indicators. The counts were weighted to take account of the different lengths and sizes of the documentary sources – they were divided by the number of notional A4 sized pages. The reason for the additional activity in the second study concerns how the data is compared. In the first study the cumulative counts were converted into percentages to compare the relative concentrations of each NPM type both within and between the authorities. In the second study the counts were weighted to directly compare how frequently each authority uses one of the five key word indicators.

The data is compared to reveal the movement towards each NPM type. Because there is evidence for all the NPM types in all the local housing authorities, there is movement towards all the NPM types. By employing the quantitative method of content analysis, the movement towards each NPM type can be ranked. (Adapted from Doty and Glick, 1994.) There are two outcomes of employing this quantitative method: only NPM activity is

measured (other management activities take place) and the percentages add up to 100% (allowing for rounding errors).

Eleven limitations to mapping have been identified, whilst two, as yet, have not. The methodology section contains three of the eleven limitations: employing mapping to study social movements can be unreliable because of their ephemeral nature, content analysis only answers the questions that are asked and content analysis presupposes the significance of discourse. Some scholars may question the capacity of discourse to produce valid results on the grounds that documentary data only contains incomplete accounts of the reality being studied.

The data collection section contains five limitations. First, the documentary sources change little from year to year and, second, performance rating is assessed by compliance with the government's housing policy. Third, although the sample was informed by discussions with civil servants, some of them were obstructive and, fourth, despite these discussions the sample used does not completely obey the sample rationale. Fifth and last, the two mapping studies capture the state of the market in local authority housing as it geared up to CCT in 1993-4. Although the government was forcing authorities to begin preparations between April 1993 and April 1994 (Arnold-Forster, 1993), about half of the sample were exposed to CCT in April 1996 and the other half in April 1997. The different timetables for CCT implementation, though only a year apart and several years in the future, could have affected the pace of change.

The analysis section contains three limitations. First, only twelve local housing authorities were selected because the preparatory phase revealed the time intensive nature of content analysis. Second, although the researcher achieved a high coding reliability, some NPM references may have been missed and similar observations have not been made by different researchers. Third and last, the emergence of the three coding issues during the fourth and cataloguing stage of Easterby-Smith, Thorpe and Lowe's (1991) seven stage process, revealed the need for consistency when documentary sources are being coded. Without common codes and reporting formats, cross-case data comparisons become unreliable (Miles and Huberman, 1984, 1994 edition).

Two other limitations to mapping have, as yet, not been identified: one indicator, 3.4.a (Taking a multi agency approach by creating links with other organisations), skewed the results and there was no evidence for nine NPM indicators. Chapter Five (pp 161-5) discusses these limitations.

Case study work

Methodology

The purpose of the case study work and the choice of research method will be discussed. The purpose of the case study work was at the micro level to empirically confirm the results of the two mapping studies by demonstrating variation even in two Conservative authorities, explain variation in NPM diffusion in greater detail and improve understanding about quasi-market development. The case study work employed the qualitative method of the comparative, longitudinal and processual case study method – it analysed two of the local housing authorities in the two mapping studies (Pettigrew, 1990 and 1997).

The comparative, longitudinal and processual case study method was selected because it is captures the complexity of organisational change by being rooted in contextualism. Contextualism draws on empirical rather than theoretical knowledge (Glaser and Strauss, 1967 and Strauss, 1987) and assumes that change is historical, processual and contextual (Pettigrew, 1990 and 1997). Change is historical because it interconnects horizontally through past, present and future time, is contextual because it interconnects vertically through different levels of society and is processual because it interconnects context and action. Context and action interconnect because “Context is not just a stimulus environment but a nested arrangement of structures and processes where the subjective interpretations of actors perceiving, comprehending, learning and remembering help shape process.” (Pettigrew, 1990, p270 and Giddens, 1976 and 1977). As a consequence, change is indeterminate in its outcomes and implications. Contextualism is summarised as the ‘analytical approach’ which argues that there is a continuous interplay between the outer (environment) and inner (organisation) context of change (the why), the process of change (the how) and the content of change (the what) (Pettigrew, 1986).

Miles and Huberman (1984, 1994 edition) reinforce the need for comparative analysis – it enhances generalisability and deepens explanation. This is achieved by transcending ‘radical particularism’ (Firestone and Herriott, 1983), pinning down the specific conditions of change (Glaser and Strauss, 1967) and helping to form general categories of how organisations may be related (Noblit and Hare, 1983 and Silverstein, 1988).

The comparative element of the case study method is operationalised through four decision rules: going for “critical incidents” (Pettigrew, 1990, p275), “polar types” (ibid), “high experience levels of the phenomena under study” (ibid, p276) and “more informed choice of sites” (ibid). The longitudinal element is operationalised because it reveals “the temporal patterns, causes, and movements from continuity to change and vice versa.” (ibid, p272). The processual element is operationalised in two ways: through a triangulated methodology which collects three types of data (documentary, ethnographic and interview) for cross-checking (ibid and Yin, 1984) and by analysing data through “cycles of expanding complexity and simplification.” (Pettigrew, 1990, p282). These cycles take a variety of forms including identifying research themes and critical questions.

Data collection

Selection of and access to the two local housing authorities

The selection of the two local housing authorities, access to the authorities and how the triangulated methodology was operationalised will be discussed. The two authorities were selected by using the results of the first and main mapping study results and applying three of Pettigrew’s (ibid) four decision rules for operationalising the comparative element of the case study method. The results revealed that all the authorities in the study had high experience levels of the NPM and provided a more informed choice of sites by identifying polar types. They found that NPM type 2 maps NPM variation by identifying exemplars of low change non-receptive contexts and high change receptive contexts. Initially four authorities were selected – the highest and lowest change Conservative authorities (Westminster and Trafford) and the Labour equivalents (Carlisle and North Warwickshire). Access was only granted by the Conservative authorities.

Westminster's Director of Housing granted access (12 March 1997) because he was keen on the project – he was researching the NPM for his doctorate. Trafford's Director of Housing hesitated for two reasons: "The Council is no longer Conservative controlled" and "we are under a great pressure to improve performance which has dropped as a result of the preparation for CCT and excessive sickness levels." (letter, 14 October 1996). Nevertheless he granted access (31 December 1996) because of the researcher's persistence and after the Chief Executive gave permission.

Carlisle's Head of Finance and Support Services, Department of Housing, granted access to staff but referred the decision about full access (to local councillors, tenants and external agents) to the Housing Committee which did not reach a decision (access was negotiated between January 1997 and March 1998). North Warwickshire's Borough Housing Officer denied access for three reasons: increased pressure on staff, "CCT is not an issue within Housing Management as we are, and will remain, de-minimis [a method of opting out from CCT]." (Fillary, letter, 24 January 1997) and "my Division is already assisting two other students with research related to their professional studies" (ibid, 3 February 1997). In order to get access to a Labour authority, Coventry was contacted. It had a similar profile to North Warwickshire and is part of a research consortium established by Warwick Business School's Local Government Centre. The consortium facilitates empirical research. Despite this link, the Director of Housing and Environmental Services also denied access and again because of increased pressure on staff.

The consequence of access only being granted by the Conservative authorities is that analysis becomes partial – Labour authorities may behave differently. Partiality was offset by obeying the remaining decision rule for operationalising the comparative element of the case study method – going for critical incidents. Both local housing authorities are highly visible: until May 1994 Trafford was the only Conservative MDC outside London and since the 1970s Westminster has been synonymous with the pursuit of privatisation and gentrification. Westminster is transparently observable because of the simultaneous running of three inquiries (Designated Sales, asbestos and lessees' service charges). Because the Designated Sales inquiry was reported in the national press, a CD-ROM containing articles from The Guardian and The Observer was searched for data from the earliest date – 1990. Although these newspapers may have a Labour stance, The Observer was edited by Will Hutton, they act as a countervailing balance to the in-house Conservative documentary sources. Both authorities, especially Westminster, offered the rare opportunity to study an elite where they practice their skills. (Pettigrew, 1990.)

Triangulated methodology

How the triangulated methodology was operationalised raises five issues: the selection of CCT implementation as the key stream of NPM strategic activity for investigation, interviewee selection, creating a positive rapport with interviewees, obstacles and timing.

CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study. The NPM literature review identified theoretical and empirical reasons for selecting CCT implementation. Theoretically, the review found that

the private sector is playing an important role in public service organisation and management (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). In local government, CCT facilitates private sector participation in public service management (Wilson and Doig, 1995). Empirically, the review found that council housing management is one of the two oldest welfare privatisations – the other being pensions (Flynn, 1997). By selecting council housing management instead of pensions as the focus of this research, it meant that an assessment of CCT should be made (Stewart, 1995).

The first and main mapping study found that NPM type 2 maps NPM variation. Having found this pattern, a type 2 strategic activity was selected for interviewees to comment on. CCT implementation was selected because it is rooted in the broader principles of privatisation embraced by the Conservative government since 1979 (Rao and Young, 1995). By selecting CCT implementation the issue of how to empirically evaluate a phenomenon recognised by academics but not by practitioners was overcome.

The triangulated methodology collects three types of data (documentary, ethnographic and interview) for cross-checking. The main data source was one-to-one semi-structured in-depth interviews. Semi-structured interviews allowed the researcher to follow “themes”, “trails” and “patterns” (Pettigrew, 1990, p277). Pro-forma design and analysis are discussed later (pp 140-2). Interviewees were selected by using a multi-stakeholder approach. They were selected “either because of their lead position in the organization or because they were involved directly in the change process.” and from “different functional groupings; different hierarchical levels; and from outside as well as inside the [local

housing authority]” (Pettigrew, Ferlie and McKee, 1992, p301). In Trafford there were twelve interviewees, whilst in Westminster fourteen.

In Trafford six interviewees came from the housing management function (ranging from the Director to one Senior Estate Management Officer four tiers below), one from repairs, one from another department (Personnel and Management Services), two were local councillors (the former Conservative Chairman of the Social Services and Housing Committee and the current Labour Chair of the Housing and Environmental Services Committee), one was a tenant (the Chair of the Tenants’ and Residents’ Federation) and one was a tenant trainer from an agency external to Trafford. In Westminster nine came from the housing management function (ranging from the Director to one Housing Officer five tiers below), one from repairs, two were local councillors (the Conservative Vice Chairman of the Housing Committee and the Labour Leader of the Opposition) and two were residents (the Acting Chair of the Westminster Housing Panel who was also one Committee Member of a local Lessee Association and the Chair of a local Housing Panel). The housing management and repairs interviewees are divided between the client (three) and contractor (seven) functions. The contractor side is further divided between the in-house public sector provider (five) and the external private sector provider (two).

A positive rapport with interviewees was created in five ways, by: being sensitive to the occasion (on time, polite), stating that the interview will be confidential (interviewees are only identified by their job titles), being informed (using the preparatory work), empathising (balancing active listening with probing questions) and being aware that interviewees had other work commitments (interviews had different durations).

Trafford put up an obstacle in each of the three data types of the triangulated methodology, whilst Westminster put up one over interviewee access. In Trafford there were three obstacles over interviewee access. First, when the researcher was telephoning to arrange the interviews, the interviewees did not know about the project, were surprised by the call and were initially hesitant about being interviewed. Second, a key individual leading change did not respond to telephone messages and when an appointment was eventually made did not turn up to the interview. Third and last, because the researcher wanted to interview a member of staff from another department he had to approach his line manager, the Director of Personnel and Management Services, to seek permission. The Director only agreed because the project had been sanctioned by the Chief Executive. Access to documentary and ethnographic data was strictly controlled. Ethnographic observation, for example, was limited to attending the Housing and Environmental Services Committee and walking to and from interview locations. The reason for the controlled access was explained at the end of the Tenant Participation Officer interview:

“The Director said to me be aware of what you give him ... I didn’t actually speak to him, I spoke to Personnel ... That’s our Personnel within Housing.”

In contrast, Westminster put up one obstacle over interviewee access and there was open access to documentary and ethnographic data. It took five months (from May to October 1998) to arrange the local councillor interviews, during which the Chair of Housing Committee refused to be interviewed. The delay was in part due to the appointment of new committee members after the May local elections and the Chair did not give a reason for refusing to be interviewed. At the end of the interviewing, however, access to one

documentary source was not forthcoming. This source was a report by the client side to the Housing Committee which included a discussion about the method used to assess housing management contractor performance.

Linked to the triangulated methodology is the longitudinal element of the case study method – the time-frame for data collection (Pettigrew, 1990). Chapter Three (pp 89-90) established the history of CCT legislation in local government (1980-2000). Data was collected, however, from before 1980 in order to create the context of change (ibid, 1986). In Trafford organisational memory was vague, whilst in Westminster it stretched back to the 1970s.

The consequence of Trafford putting up an obstacle in each of the three data types of the triangulated methodology and Westminster putting up one over interviewee access is that data collection and analysis becomes partial – access to knowledge about the NPM has been limited. Partiality was offset by resourcefulness. Although there is no substitute for ethnographic observation, alternative interviewees were selected who supplied other documentary sources.

Analysis

Preparatory phase

The case study work was informed by the literature reviews and the two mapping studies and prepared for through set-up discussions. In Trafford there was a meeting with the Director, but because the researcher lives in Manchester in Westminster this was replaced by a telephone conversation. This saved the researcher travelling time and money –

practical considerations also used by Fenton (1996) in her case selection (p116). During the set-up discussions the researcher requested the back catalogue of strategy statements and Annual Reports which built up individual chronologies. Trafford found two strategy statements (1993-4 and 1995-6) and six Annual Reports (1990-1 – 1995-6), whilst Westminster found two strategy statements (1997-8 and 1998-9) and three Annual Reports (1994-5 – 1996-7). Westminster's Director also sent a copy of a paper he had presented at Sheffield Hallam University titled 'The City of Westminster Housing Department – Innovation And the Management Of Change' (Buxton, 1997).

Cross data analysis phase – pro-forma design

This phase has been divided in two: pro-forma design and pro-forma analysis. Appendix 1 contains the pro-forma. The pro-forma was designed by returning to the debates highlighted in Chapter Three (pp 59-93). It is divided into five sections. The first section (questions one to three) relaxed the interviewees by asking for general information, for example, about their personal career history. The second section (questions four to six) confirmed the results of the two mapping studies and demonstrated variation even in two Conservative authorities by asking about the configuration of the NPM types and the factors. The third section (questions seven to thirteen) explained variation in NPM diffusion in greater detail by focusing on CCT implementation. The fourth section (questions fourteen to seventeen) improved understanding about quasi-market development. The fifth and last section brought together two unrelated questions. Question eighteen asked interviewees to indicate and explain which of the additional key word indicators they and the department used. Question nineteen asked interviewees whether they had heard of the NPM.

Cross data analysis phase – pro-forma analysis

Having designed the pro forma, Easterby-Smith, Thorpe and Lowe's (1991) seven stage process was employed to analyse the interview data (Trafford was completed in March 1998 and Westminster in December 1998) (pp 108-12). Before discussing the seven stage process, the mechanics of moving from pro-forma design to analysis will be discussed.

All interviewees agreed to their interviews being tape recorded. Tape recording is important because "it reproduces the direct statements of an individual ... It offers an important opportunity to evaluate not only what is said, but how it is said." (Goodman and Pryluck, 1974, p311). All interviews were transcribed by a third person to recapture the time lost through negotiating access and overcoming the obstacles. Transcription took place in parallel with the interviewing process and the researcher checked the transcripts. Each case study was written up immediately after the interviewing was completed whilst the data was fresh in the researcher's memory. Between the two cases data collection was evaluated – there was too much data. In Trafford data was also collected about tenant participation in order to contrast a NPM type 2 activity with a NPM type 4 activity – type 4 critiques type 2. In Westminster data was only collected about CCT implementation. Data about the role of tenants in CCT implementation was, however, still collected. The pro-forma discussed above refers to the modified version.

The first stage of Easterby-Smith, Thorpe and Lowe's (1991) seven stage process, familiarisation, involved reading the transcripts, the second, reflection, related the data to the literature reviews and the third, conceptualisation, related the data to the NPM

typology. The fourth stage, cataloguing concepts, involved rereading the transcripts and annotating the margin of each text with the relevant pro-forma question number. The researcher included emerging themes and variation between interviewee's perceptions of change (Pettigrew, 1990). The annotations were then recorded in a manual data base. The data base was a matrix sheet where the data was partitioned and clustered by theme and linked to interviewee accounts. (Adapted from Miles and Huberman, 1984, 1994 edition.) The fifth stage, recoding, involved checking the partitioning and clustering. After writing up the Westminster case study the researcher realised the need to move from reading the secondary media accounts of the Designated Sales inquiry to reading the primary account of the Report. The sixth and seventh stages, linking and re-evaluation, form the meta-level analysis phase.

Meta-level analysis phase

This phase is formed by the last two stages of Easterby-Smith, Thorpe and Lowe's (1991) seven stage process: linking and re-evaluation. In the linking stage the researcher related his analysis to the purpose of the case study work and in the re-evaluation stage he shared the results with his supervisors whose comments were reflected on. The two case study chapters discuss the results.

Two limitations to the case study work have been identified and both are in the data collection section. Access was only granted by the Conservative authorities and Trafford put up an obstacle in each of the three data types of the triangulated methodology, whilst Westminster put up one over interviewee access. Both limitations had the consequence of making data collection and analysis partial.

Concluding remarks

This chapter has discussed the choice of research design – the selection of a triple methodology which was applied to council housing management. The triple methodology refers to the selection of an appropriate research method at three levels of change (macro, meso and micro) to characterise, map and explain variation in NPM diffusion.

This research makes three methodological contributions: developing the NPM typology, using discourse to empirically map and explain variation in NPM diffusion and addressing the interplay of organisational context and action through the triple methodology. First, developing the NPM typology is innovative because it systematises NPM understanding and starts the process of theory-building. The NPM typology reflects the coexistence and the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998). It theoretically develops Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM characterisation and tests it empirically. It is the use of NPM indicators which theoretically develops their work because they enable the NPM to be counted, mapped and explained.

Second, using discourse to empirically map and explain variation in NPM diffusion is novel because discourse is an underdeveloped research method within generic organisational theory, especially as a method for revealing invisible ideas maps. Because this method is novel the significance of discourse has been discussed in this chapter (pp 107-9). Further, the second mapping study, which used the five key word indicators, had a supporting role to the first and main study, which used the NPM typology.

Nevertheless, the potential of the method was demonstrated by the second study corroborating the results of the first.

Third and last, addressing the interplay of organisational context and action through the triple methodology is consistent with recent developments in generic organisational theory (Greenwood and Hinings, 1996 and Pettigrew, 1997). Until recently, there was a polarisation of perspectives, with scholars emphasising either environmental determinism (Powell and Di Maggio, 1991 and Kitchener, 1998) or executive action (Child, 1972). The triple methodology is an example of the Centre for Creativity, Strategy and Change's recent work. It interconnects vertically through different levels of society (Pettigrew and Whipp, 1991 and Pettigrew, Ferlie and McKee, 1992) and combines two mapping studies with case study work (Pettigrew, 1997). It differs from the Centre's work in that it specifies three levels of change and selects an appropriate method for each.

As a counterbalance to the three methodological contributions, the metaphor of Coleridge's *Ancient Mariner*, which was used in the introduction, will be returned to. In the introduction it was stated that the researcher, like the *Ancient Mariner*, emerged from the research process a wiser man. He is a wiser man for three reasons: promoting transparency and confidence in research findings is fraught with difficulty, emerging fields of study may require new thinking in order for them to be developed and in encountering the politics of research the researcher developed personally.

First, the limitations of the triple methodology reveal that although there is the need for methodological and empirical rigour in NPM research (Ferlie, 1999), promoting

transparency and confidence in research findings is fraught with difficulty. In this chapter thirteen limitations to mapping and two limitations to the case study work have been identified.

Second, emerging fields of study, like the NPM, may require new and flexible thinking in order for them to be developed conceptually, methodologically and empirically. In this research there was the problem of NPM characterisation, especially at the theoretical level of analysis. Systematising NPM understanding and starting the process of theory-building has been achieved by reviewing the NPM literature to classify existing NPM work. This was conceptual groundclearing. This research has gone beyond the problem of NPM characterisation by linking it to mapping and explaining NPM diffusion. The link has been achieved through the methodological innovation of developing the NPM typology. The NPM typology will be used to empirically reveal that the NPM exists and to map and explain variation in its diffusion.

One of the advantages of the triple methodology is that it tempers new thinking, for example, the development and use of the NPM typology, by introducing methodological checks and balances into the research process. The results of the first and main mapping study, which used the NPM typology, will be corroborated by making similar observations by using different data sets. The second and supporting mapping study, which used the five key word indicators, will corroborate the first's results and the first's results will be confirmed by the case study work.

Third and last, in encountering the politics of research (Easterby-Smith, Thorpe and Lowe, 1991), for example, access was only granted by the Conservative authorities and obstacles were put up by both Trafford and Westminster, the researcher developed personally. In particular, he became pragmatic by taking a practical approach to problem-solving. He recognised the need for persistence and patience whilst negotiating access to the Conservative authorities and to different types of data. He also recognised the need for awareness – of knowing when to pursue an issue, like access, and when to withdraw.

Following the sequence and timing of data collection and analysis outlined in this chapter, the next chapter (Five) will at the meso level through two mapping studies empirically map and in part explain variation in NPM diffusion. Chapter Five will also begin the process of reporting the empirical contributions of this research.

CHAPTER 5

TWO MAPPING STUDIES – REVEALING AN INVISIBLE IDEAS

MAP

“Roll up that map [of Europe]; it will not be wanted these ten years.”

William Pitt: Said in January 1806, after Napoleon’s victory at Austerlitz

Introduction

The purpose of this chapter is at the meso (public service) level through two mapping studies to empirically map and in part explain variation in NPM diffusion. Explaining variation in NPM diffusion will be enhanced by the case study work. The second and supporting mapping study will also track the diffusion of a NPM type 2 discourse in order to corroborate the results of the first and main study. In addition, the second study will also contribute to the citizen/customer debate by empirically mapping and explaining variation in the diffusion of the two citizenship concepts. In other words, the chapter is revealing an invisible ideas map, not rolling up and putting away a physical geographical map.

The two mapping studies employed the quantitative method of content analysis – they analysed the content of two documentary sources published by twelve local housing authorities in 1994. The first study used the NPM typology, whilst the second used five key word indicators.

1994 was selected because it was the year of the documentary sources' most recent publication. The analysis of the pilot study concluded that mapping would not be

longitudinal or comprehensive (a 100% sample) because of the time intensive nature of content analysis exacerbated by the length (up to one hundred pages) of the HIP strategy statement. As a consequence, the mapping studies capture the state of the market in local authority housing as it geared up to CCT. The authorities used in this research's sample were exposed to CCT either in April 1996 or April 1997 (Arnold-Forster, 1993). Arnold-Forster (ibid) also reported that the government was forcing authorities to begin preparations between April 1993 and April 1994.

The chapter is divided into two sections. First, it will report the results of the first study. As part of reporting the results, the limitations of mapping will be discussed. Second, it will report the results of the second study. As part of reporting the results, three implications will be discussed: clarifying the role of discourse in shaping strategic change, defining the type of service a user will receive and improving understanding of quasi-market development.

Results of the first and main mapping study

Reporting the results

The first and main mapping study takes primacy because it uses the NPM typology and is, as a consequence, a comprehensive study. Appendix 2 reports the complete results. It quantitatively summarises the data collected during the study. It was computed by summarising a manual data base which involved counting every reference to each NPM indicator for the local housing authorities in this study. The data base is described in Chapter Four (pp 127-8). Figure 5.1 simplifies Appendix 2.

Figure 5.1: Counts for each NPM type which are converted into %s

NPM Type		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
T1	Count	83	79	67	81	71	53	19	16	12	17	47	49
	%	16.1	13.1	10.2	11.6	9.4	13.2	7.2	4.3	3.1	9.6	13.1	14.5
T2	Count	54	65	136	161	84	67	55	68	53	17	51	44
	%	10.5	10.7	20.7	23.1	11.1	16.7	20.8	18.2	13.6	9.6	14.2	13.0
T3	Count	255	307	327	291	415	162	137	214	211	75	173	133
	%	49.4	50.7	49.9	41.8	55.0	40.3	51.9	57.2	54.2	42.4	48.2	39.4
T4	Count	124	154	126	164	184	120	53	76	113	68	88	112
	%	23.0	25.5	19.2	23.5	24.4	29.9	20.1	20.3	29.1	38.4	24.5	33.1
Total	Count	516	605	656	697	754	402	264	374	389	177	359	338
	%	99.0	100.0	100.0	100.0	99.9	100.1	100.0	100.0	100.0	100.0	100.0	100.0

Figure 5.1 simplifies Appendix 2 by focusing on the cumulative counts for each NPM type which are converted into percentages. Before discussing the computation of the figure and interpreting its data, it is important to remind the reader of how the NPM types have been characterised. NPM type 1 is characterised as management by command and control – the Audit Society, NPM type 2 as management by influence – the contract state, NPM type 3 as management by influence – the excellence school and NPM type 4 as management by social inclusion – the Third Way.

The cumulative counts were computed by adding together the individual counts of each NPM indicator within a NPM type. The cumulative counts were converted into percentages to compare the concentrations of each NPM type both within and between the

local housing authorities. The percentages do not add up to 100% because of rounding errors. The authorities are listed in the order that they were analysed.

Interpreting the data from this study will be achieved by building up a pattern in five stages. The presentation of the data in Figure 5.1 is the first stage of pattern building. The data in Figure 5.1 empirically reveals that the NPM exists and that it varies within and between the local housing authorities. It empirically reveals that the NPM exists because there is evidence (counts) for all four NPM types in all twelve authorities. It also empirically reveals that the NPM varies within and between the authorities because the concentrations (percentages) of each NPM type vary both within and between the authorities. Figure 5.2 takes the analysis further.

Figure 5.2: Ranking the concentration of each NPM type

Ranking		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
1st	NPM Type %	T3	T3	T3	T3	T3	T3	T3	T3	T3	T3	T3	T3
		49.4	50.7	49.9	41.8	55.0	40.3	51.9	57.2	54.2	42.4	48.2	39.4
2nd	NPM Type %	T4	T4	T2	T4	T4	T4	T2	T4	T4	T4	T4	T4
		23.0	25.5	20.7	23.5	24.4	29.9	20.8	20.3	27.1	38.4	24.5	33.1
3rd	NPM Type %	T1	T1	T4	T2	T2	T2	T4	T2	T2	T1	T2	T1
		16.1	13.1	19.2	23.1	11.1	16.7	20.1	18.2	13.6	9.6	14.2	14.5
4th	NPM Type %	T2	T2	T1	T1	T1	T1	T1	T1	T1	T2	T1	T2
		10.5	10.7	10.2	11.6	9.4	13.2	7.2	4.3	3.1	9.6	13.1	13.0

Figure 5.2 takes the analysis further by using the percentages in Figure 5.1 to rank the concentration of each NPM type within the local housing authorities so that the authorities can be compared more precisely. Before interpreting Figure 5.2's data, its computation

will be discussed. Although NPM types 1 and 2 have the same concentration in North Warwickshire, NPM type 2 has been ranked lower than 1. This is because the authority opposed the last Conservative government's housing policy. The introduction to North Warwickshire's strategy statement argues:

“that it [HIP guidance] brings the whole question of local housing strategy statements into sharp focus when so little input appears to be required if it [an authority] fails to adhere to the government's position on housing.” (p3).

In the introduction it was noted that between April 1993 and April 1994 the government was forcing authorities to begin CCT preparations – a NPM type 2 activity (Arnold-Forster, 1993). In opposing the last Conservative government's housing policy, North Warwickshire was opposing NPM type 2.

The presentation of the data in Figure 5.2 is the second stage of pattern building. The data in Figure 5.2 empirically reveals that NPM type 3 is ranked first in all the local housing authorities, whilst the remaining three rankings combine different NPM types. The second ranking, for example, combines NPM types 4 and 2.

By consulting Appendix 2 it is found that one NPM indicator, 3.4.a (Taking a multi agency approach by creating links with other organisations), skews the results. It produces exceptionally large totals, the highest being two-hundred-and-sixty-eight in Camden. In order to eliminate the skewing effect, this indicator needs to be taken out of the computations for Figures 5.1 and 5.2. Figures 5.3 and 5.4 adjust the analysis and are clustered together.

Figure 5.3: Figure 5.1 without NPM indicator 3.4.a

NPM Type		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
T1	Count	83	79	67	81	71	53	19	16	12	17	47	49
	%	23.2	20.7	16.8	17.5	14.6	16.4	10.9	7.3	5.5	11.7	18.9	19.5
T2	Count	54	65	136	161	84	67	55	68	53	17	51	44
	%	15.1	17.0	34.1	34.8	17.3	20.7	31.4	31.1	24.3	11.7	20.5	17.5
T3	Count	97	84	70	57	147	83	48	59	40	43	63	46
	%	27.1	21.9	17.5	12.3	30.3	25.7	27.4	26.9	18.4	29.7	25.3	18.3
T4	Count	124	154	126	164	184	120	53	76	113	68	88	112
	%	34.6	40.3	31.6	35.4	37.9	37.2	30.3	34.7	51.8	46.9	35.3	44.6
Total	Count	358	382	399	463	486	323	175	219	218	145	249	251
	%	100.0	99.9	100.0	100.0	100.1	100.0	100.0	100.0	100.0	100.0	100.0	99.9

Figure 5.4: Figure 5.2 without NPM indicator 3.4.a

Ranking		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
1st	NPM Type %	T4	T4	T2	T4	T4	T4	T2	T4	T4	T4	T4	T4
		34.6	40.3	34.1	35.4	37.9	37.2	31.4	34.7	51.8	46.9	35.3	44.6
2nd	NPM Type %	T3	T3	T4	T2	T3	T3	T4	T2	T2	T3	T3	T1
		27.1	21.9	31.6	34.8	30.3	25.7	30.3	31.1	24.3	29.7	25.3	19.5
3rd	NPM Type %	T1	T1	T3	T1	T2	T2	T3	T3	T3	T1	T2	T3
		23.2	20.7	17.5	17.5	17.3	20.7	27.4	26.9	18.4	11.7	20.5	18.3
4th	NPM Type %	T2	T2	T1	T3	T1	T1	T1	T1	T1	T2	T1	T2
		15.1	17.0	16.8	12.3	14.6	16.4	10.9	7.3	5.5	11.7	18.9	17.5

Figures 5.3 and 5.4 adjust the analysis by revising Figures 5.1 and 5.2 so that they do not include NPM indicator 3.4.a. The adjustment in the computations is made clear by comparing Figures 5.1 and 5.3. The counts for NPM types 1, 2 and 4 remain the same,

whilst the counts for NPM type 3 are reduced in Figure 5.3. This has the effect of altering all the percentages – the concentrations of each NPM type are different.

The presentation of the data in Figure 5.4 is the third stage of pattern building – it reveals the revised rankings of each NPM type. The data in Figure 5.4 empirically reveals that NPM type 3 is no longer ranked first in all the local housing authorities. Instead, NPM type 2 becomes the key type, not because it is ranked first, but because it seems to map variation in NPM diffusion. By mapping variation in NPM diffusion it is meant that only NPM type 2 can be found in all rankings – from first (in Westminster and South Northamptonshire) to last (Trafford, Coventry, North Warwickshire and Stevenage).

In contrast, the other NPM types are associated with specific rankings. NPM type 4 is ranked first in ten of the local housing authorities, NPM type 1 is ranked last in seven and NPM type 3 is most often middle ranked, with eleven of the authorities placing it either second or third.

The data in Figure 5.4 suggests that the local housing authorities may either be avoiding NPM type 2 or be adopting NPM type 2. As a consequence, the researcher has interpreted NPM type 2 as the key type. He has also interpreted those authorities which avoid NPM type 2 as low change non-receptive contexts for the NPM and those authorities which adopt NPM type 2 as high change receptive contexts for the NPM. In addition, he has interpreted the diffusion of NPM type 2 as an indicator of the diffusion of the NPM. In short, NPM type 2 seems to map variation in NPM diffusion.

NPM type 2 may be the key type because it symbolises an ideological extreme of the NPM – the development towards a quasi market (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). Because NPM type 2 is extreme, some authorities will adopt it, but others will be more reluctant.

It is more difficult to explain the rankings of the other NPM types. NPM type 3 may be most often middle ranked because indicator 3.4.a has been taken out of the computations, which has reduced NPM type 3's impact on the rankings.

NPM type 4 may be ranked first in ten of the local housing authorities because it captures the past – where the authorities have evolved from. By capturing the past it is meant that NPM type 4 is characterised by a critique of NPM type 2 and the development towards a quasi-market (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996). As a consequence, the high ranking of NPM type 4 seems to suggest that in most of the authorities there is some continuity of earlier pre NPM systems of organisation and management. The earlier pre NPM systems have continued through a fusion of private and public sector management ideas (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996).

NPM type 1 may be ranked last in seven of the local housing authorities because it was the earliest type to emerge (ibid). As a result, in contrast to NPM type 4, in about half of the authorities some of the earlier NPM systems of organisation and management may have been superseded by later NPM types. (For a description of the organisational structures and management systems associated with the four NPM types see the NPM typology, Chapter Four, pp 118-25.)

Before mapping variation in NPM diffusion more precisely, the data in Figure 5.4 needs further interpretation. It makes empirical contributions to three theoretical fields of study: public management, social and generic organisational theory. First, these research findings support recent developments in public management theory by empirically revealing that the NPM exists and that it varies between and within cases (ibid). There is evidence (counts) for all four NPM types in all twelve local housing authorities and the concentrations (percentages) of each NPM type vary both between and within the authorities.

Second, these research findings confirm existing social theory by empirically revealing that the local housing authorities and, by implication, society in general, are dynamic – there is the coexistence and the fall and rise of managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Each NPM type symbolises a managerial ideology (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996), NPM types 2 and 4 symbolise citizenship concepts and together they symbolise the existence of multiple ideal types (Doty and Glick, 1994). The NPM types, managerial ideologies and citizenship concepts are dynamic because they configure in a variety of patterns. NPM type 4 is ranked first in ten of the authorities, NPM type 1 is ranked last in seven and NPM type 3 is most often middle ranked, whilst NPM type 2 is the most dispersed amongst the rankings. This may change as New Labour's social policies are implemented because they are associated with NPM type 4 (Jowell, 1998 and a conversation with John Prescott).

Third, there is a continuing debate within generic organisational theory about whether organisations vary (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) or whether they are similar (Powell and Di Maggio, 1991 and Kitchener, 1998). The debate is contributed to by empirically revealing that there is variation in public service organisation and management. Because the NPM types, especially NPM type 2, vary between and within the local housing authorities, it is revealed that there are organisational hybrids (Mackintosh, Jarvis and Heery, 1994) and there is organisational variety (Lowndes, 1997).

These research findings are, however, consistent with the work of neo-institutionalists. Neo-institutionalists accept that there will be variation within sectors because organisations vary in their internal organisational dynamics (Greenwood and Hinings, 1996). There is, though, evidence from other institutionalists (for example, Kitchener, 1998, who has been working in the NHS), which suggests that over time tracks of development converge. This may not happen in local authority housing because CCT has been repealed and replaced by Best Value, which replaces the compulsion in competitive tendering with identifying “the benefits that can arise from bringing new providers into the market.” (Local Government Act 1999, DETR Circular, p13). Indeed this may not continue to happen in the NHS with the abolition of the internal market.

Mapping variation in NPM diffusion

The data in Figure 5.4 suggested that the local housing authorities may either be avoiding NPM type 2 or be adopting NPM type 2. As a consequence, the researcher has interpreted NPM type 2 as the key type because it seems to map variation in NPM diffusion.

The presentation of the data in Figure 5.5 is the fourth stage of pattern building. The data in Figure 5.5 makes the NPM map clearer.

Figure 5.5: Empirically mapping and in part explaining variation in NPM diffusion

Ranking		Local Housing Authority											
		Political Context											
		Conservative						Labour					
		Westminster	South Northamptonshire	Redbridge	Macclesfield	South Bedfordshire	Trafford	Carlisle	Waltham Forest	Camden	Stevenage	Coventry	North Warwickshire
1st	NPM Type %	T2 34.1	T2 31.4	T4 35.4	T4 34.7	T4 35.3	T4 34.6	T4 51.8	T4 37.2	T4 37.9	T4 44.6	T4 40.3	T4 46.9
2nd	NPM Type %	T4 31.6	T4 30.3	T2 34.8	T2 31.1	T3 25.3	T3 27.1	T2 24.3	T3 25.7	T3 30.3	T1 19.5	T3 21.9	T3 29.7
3rd	NPM Type %	T3 17.5	T3 27.4	T1 17.5	T3 26.9	T2 20.5	T1 23.2	T3 18.4	T2 20.7	T2 17.3	T3 18.3	T1 20.7	T1 11.7
4th	NPM Type %	T1 16.8	T1 10.9	T3 12.3	T1 7.3	T1 18.9	T2 15.1	T1 5.5	T1 16.4	T1 14.6	T2 17.5	T2 17.0	T2 11.7
Organisation Size		Large	Small	Large	Small	Small	Large	Small	Large	Large	Small	Large	Small
Performance Rating		Above average	Above average	Below average	Below average	Average	Average	Above average	Below average	Above average	Above average	Average	Below average
Geographical Location		South	North	South	North	South	North	North	South	South	South	North	North

Figure 5.5 makes the NPM map clearer by rearranging Figure 5.4. The local housing authorities are listed in a new order – they are ordered by the ranking of NPM type 2. Computation is achieved in two stages: by ordering each authority by its ranking of NPM type 2 (first, second, third and last) and then, where two authorities have the same ranking, by concentration of NPM type 2 (its %). Both Westminster and South

Northamptonshire, for example, rank NPM type 2 first and are, therefore, ordered above the other Conservative authorities. Westminster, though, has a higher concentration of NPM type 2 (34.1% compared to 31.4%) and is, therefore, ordered above South Northamptonshire.

The local housing authorities are also ordered by their political context (Conservative and Labour). Westminster is the Conservative high change receptive context for NPM type 2, whilst Carlisle is the Labour equivalent. Trafford is the Conservative low change non-receptive context for NPM type 2, whilst North Warwickshire is the Labour equivalent.

In part explaining variation in NPM diffusion

The data in Figure 5.5 may also in part explain variation in NPM diffusion. This is achieved by relating the distribution of the local housing authorities to the sample rationale. The sample rationale in part explains variation in NPM diffusion by identifying receptivity factors. The sample rationale identifies receptivity factors because it selected authorities by striking a balance in: political context, organisation size, performance rating and geographical location. There are six Conservative and six Labour authorities, six larger Metropolitan District Councils (MDCs) and six smaller District Councils (DCs), five authorities above average, four below average and three average and six authorities located in the north and six in the south. The data in Figure 5.5 is ordered by political context and notes organisation size, performance rating and geographical location.

This study empirically reveals that there is one principle receptivity factor (political context) and two subsidiary factors (performance rating for high change receptive

contexts and geographical location for low change non-receptive contexts). Organisation size is not a receptivity factor.

Political context is the principle receptivity factor because it strongly indicates potential NPM type 2 diffusion. Political context strongly indicates potential NPM type 2 diffusion because the data in Figure 5.5 suggests that there is an approximation between being a Conservative and a Labour local housing authority and the extent of NPM type 2 diffusion. Political context explains both the rankings of the high change receptive contexts and the low change non-receptive contexts for NPM type 2. Conservative authorities are more likely to be high change contexts than Labour authorities. The data in Figure 5.5 ranks NPM type 2 first in two Conservative authorities, Westminster and South Northamptonshire, whilst the data ranks it first in no Labour authorities. In contrast, the data in Figure 5.5 ranks NPM type 2 last in three Labour authorities, North Warwickshire, Coventry and Stevenage, whilst the data ranks it last in only one Conservative authority, Trafford.

Performance rating and geographical location are subsidiary receptivity factors because they weakly indicate potential NPM type 2 diffusion. Performance rating and geographical location weakly indicate potential NPM type 2 diffusion because the data in Figure 5.5 suggests that there is a weak approximation between being an above/below average or a northern/southern local housing authority and the extent of NPM type 2 diffusion. Performance rating is a subsidiary receptivity factor because it only explains the rankings of the high change receptive contexts and not the low change non-receptive contexts for NPM type 2. Westminster and South Northamptonshire, high change

contexts, are both above average performers. In contrast, North Warwickshire, Coventry, Stevenage and Trafford, low change contexts, perform unevenly – North Warwickshire is below average, Coventry and Trafford are average and Stevenage is above average.

Before discussing geographical location, it is important to restate (see Chapter Four, p112) that the researcher acknowledges that notionally dividing the local housing authorities into north and south by the Anglo-Saxon Danelaw line might be considered crude and that authorities located in the Midlands might object to being labelled as northern. Nevertheless, given the small sample (twelve authorities) and wanting to investigate whether there are north/south differences, the researcher has adopted the Danelaw as a notional north/south division.

Geographical location is a subsidiary receptivity factor because it only explains the rankings of the low change non-receptive contexts and not the high change receptive contexts for NPM type 2. Three out of the four low change contexts, North Warwickshire, Coventry and Trafford, are located in the north – the exception is Stevenage which is in the south. In contrast, one of the two high change contexts, Westminster, is located in the south, whilst the other, South Northamptonshire, is in the north. As a consequence of the data in Figure 5.5, being ‘northern’ may be associated with being a low change context for NPM type 2. The data in Figure 5.5 is inconclusive about the nature of being ‘southern’.

Organisation size is not a receptivity factor because it does not indicate potential NPM type 2 diffusion. Organisation size does not indicate potential NPM type 2 diffusion

because the data in Figure 5.5 suggests that there is not an approximation between organisation size and the extent of NPM type 2 diffusion. Organisation size does not explain the rankings of the high change receptive contexts nor the low change non-receptive contexts for NPM type 2. It does not explain why the data in Figure 5.5 ranks NPM type 2 first in Westminster and South Northamptonshire – the first is a larger MDC, whilst the second is a smaller DC. It also does not explain why the data in Figure 5.5 ranks NPM type 2 last in North Warwickshire, Coventry, Stevenage and Trafford – North Warwickshire and Stevenage are smaller DCs, whilst Coventry and Trafford are larger MDCs.

In Chapter Four (pp 111-2) it was noted that organisation size was included in the sample rationale because, as part of the local government belief system, it is presupposed that larger MDCs are more likely than smaller DCs to be high change receptive contexts for change (drawn from the researcher's experience as a management consultant). The research finding which concludes that organisation size is not a receptivity factor contradicts this presupposition.

Limitations to mapping

Thirteen limitations to mapping were identified in Chapter Four (pp 130-1). Discussion about two of those limitations has been delayed until this chapter and one limitation needs to be discussed further. One of the delayed discussions has already take place – one indicator, 3.4.a (Taking a multi agency approach by creating links with other organisations), skews this study's results. The other delayed discussion will now take place – there is no evidence for nine NPM indicators. By no evidence it is meant that

during the coding of the documentary sources no counts were recorded for nine indicators. The indicators are: 1.2.d (Reducing professional self-regulation, which includes more transparent forms of self-regulation), 1.4.a (Introducing short term contracts for senior managers), 1.4.b (Giving senior managers individually agreed and highly paid rewards packages), 1.4.c (Introducing local pay), 2.3.b (Reducing the numbers of senior managers), 3.1.e (Referring to symbols of good practice, which are associated with the culture change programme), 3.2.b (Backing mavericks), 3.2.c (Emphasising management by staff inclusion (management by wandering about) rather than management by influencing or command and control) and 4.3.c (Training elected representatives).

Lack of evidence raises three fundamental issues about the NPM typology. Is there a problem with the NPM indicators? Is there a problem with how the indicators are used (coding)? Is there a problem with the local authority housing context – is it an outlier? Because there is no evidence for nine indicators, it does not mean that there is a problem with the indicators – there may simply have been no empirical evidence in the documentary sources. To demonstrate that the indicators are sound, the Westminster case study (Chapter Seven, pp 258-322) provides empirical evidence for three of the nine indicators. Starting with indicator 2.3.b, the overall figure for staff reduction is 23% (one-hundred-and-fifty out of six-hundred-and-fifty staff lost their jobs), with senior and middle managers and support staff taking the brunt. In terms of indicator 3.1.e, the Director stripped away the trappings of traditional leadership – he gave up his private office with an en suite bathroom and shared his new one with his secretary and three others. As a consequence of indicator 3.1.e, the Director was described as a maverick. He can be a

maverick because he is respected by Conservative local councillors – he has delivered revolutionary change with an apolitical stance. These events evidence indicator 3.2.b.

Because there is case study evidence, it does not mean that there is a problem with how the NPM indicators are used (coding). In Chapter Four (p107) the researcher acknowledged that documentary data only contains incomplete accounts of the reality being studied. He countered by stating that documents are a key source of data on geographically scattered events which make interviewing difficult and although they are incomplete accounts they are part of the reality being studied (Hakim, 1993, 1997 edition). He also countered by stating that discourse is part of social change and can be used to reveal invisible ideas maps. This is because different kinds of social change are encoded and expressed in documents. The purpose of discourse and content analysis is to make connections between the language in the document and the big issues that lie behind documents. Documents reveal invisible ideas maps because they put ideas onto paper and the ideas become measurable. (Mannheim, 1936, 1954 edition; Foucault, 1971, 1977 and 1978; Thompson, 1987; Fairclough, 1989b, 1995 edition and Butler and Keith, 1999.)

Mapping and case study evidence for the NPM indicators suggests that there is no problem with the local authority housing context. Indeed, the NPM is generalisable – the ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) have been successfully applied to local authority housing. Nevertheless, it is also clear that public service contexts differ – there may be outliers. Local government and education provide empirical evidence for another of the nine indicators for which there is no evidence in this study – 1.4.c. The London Borough of Harrow has already introduced

local pay (Joyce and McNulty, 1994). The New Labour government is considering introducing local pay in higher (The Times Higher, 1999) and secondary (Judd, 1999) education. The answer to the outlier question will only emerge from comparative studies in other public service, voluntary and global contexts.

The limitation that needs to be discussed further is that the two mapping studies capture the state of the market in local authority housing as it geared up to CCT in 1993-4. Although the former Conservative government was forcing authorities to begin preparations between April 1993 and April 1994 (Arnold-Forster, 1993), about half of the sample were exposed to CCT in April 1996 and the other half in April 1997. The different timetables for CCT implementation, though only a year apart and several years in the future, could have affected the pace of change. Figure 5.6 relates the different timetables for CCT implementation to pace of change.

Figure 5.6: Relating the different timetables for CCT implementation to pace of change

Local Housing Authority	Political Context											
	Conservative						Labour					
	Westminster	South Northamptonshire	Redbridge	Macclesfield	South Bedfordshire	Trafford	Carlisle	Waltham Forest	Camden	Stevenage	Coventry	North Warwickshire
Exposure To CCT	1996	1996	1997	1996	1997	1997	1996	1997	1996	1996	1996	1997

Figure 5.6 relates the different timetables for CCT implementation to pace of change by relating the year that the local housing authorities were exposed to CCT to Figure 5.5's NPM map. The presentation of the data in Figure 5.6 is the fifth and last stage of pattern building. The data in Figure 5.6 empirically reveals that early exposure increases the

chances of an authority being a high change receptive context for NPM type 2. This finding applies to Conservative and Labour political contexts. Westminster is the Conservative high change context and was exposed to CCT in 1996, whilst Carlisle is the Labour equivalent and it too was exposed in 1996. Trafford is the Conservative low change non-receptive context and was exposed to CCT in 1997, whilst North Warwickshire is the Labour equivalent and it too was exposed in 1997.

This is not the full story. In Chapter Three (p90) it was noted that Arnold-Forster (1993) reported that the different timetables for CCT implementation were determined by two criteria: size and preparedness. In other words, in determining the different timetables for CCT implementation, the former Conservative government was acknowledging that some local housing authorities were already high change receptive contexts, whilst others were low change non-receptive contexts for NPM type 2. In short, it is difficult to determine whether the different timetables for CCT implementation have affected the pace of change.

Before reporting the results of the second and supporting mapping study, it is important to synthesise the core empirical findings of this study. Interpreting the data from this study has been achieved by building up a pattern in five stages. The presentation of the data in Figure 5.1 was the first stage of pattern building. The data in Figure 5.1 empirically revealed that the NPM exists and that it varies within and between the local housing authorities.

The presentation of the data in Figure 5.2 was the second stage of pattern building. The data in Figure 5.2 empirically revealed that NPM type 3 is ranked first in all the local

housing authorities and that indicator 3.4.a (Taking a multi agency approach by creating links with other organisations) needed to be taken out of the computations, which has reduced NPM type 3's impact on the rankings.

The presentation of the data in Figure 5.4 was the third stage of pattern building – it revealed the revised rankings of each NPM type. The data in Figure 5.4 empirically revealed that NPM type 3 is no longer ranked first in all the local housing authorities. Instead, NPM type 2 became the key type, not because it is ranked first, but because it seems to map variation in NPM diffusion.

The presentation of the data in Figure 5.5 was the fourth stage of pattern building. The data in Figure 5.5 made the NPM map clearer. Westminster is the Conservative high change receptive context for NPM type 2, whilst Carlisle is the Labour equivalent. Trafford is the Conservative low change non-receptive context for NPM type 2, whilst North Warwickshire is the Labour equivalent. The data in Figure 5.5 may also in part explain variation in NPM diffusion by empirically revealing that there is one principle receptivity factor (political context) and two subsidiary factors (performance rating for high change receptive contexts and geographical location for low change non-receptive contexts for NPM type 2).

The presentation of the data in Figure 5.6 was the fifth and last stage of pattern building. The data in Figure 5.6 empirically revealed that early exposure to CCT increased the chances of a local housing authority being a high change receptive context for NPM type 2. This finding applied to Conservative and Labour political contexts. It is difficult,

however, to determine whether the different timetables for CCT implementation have affected the pace of change. The former Conservative government acknowledged in the timetables that some authorities were already high change receptive contexts, whilst others were low change non-receptive contexts.

Results of the second and supporting mapping study

Linking language change to social change and the NPM

The second and supporting mapping study is secondary because it uses five key word indicators and is, as a consequence, a less comprehensive study. Before reporting the results, it is important to link language change (the five key word indicators) to social change (the citizen/customer debate) and the NPM (typology). It has just been noted that discourse is part of social change and can be used to reveal invisible ideas maps. This is because different kinds of social change are encoded and expressed in documents. This study focuses on one language change – transferring a word from one institutional context to another (Fairclough, 1989b, 1995 edition) and, in particular, its application to the citizen/customer debate.

Elcock (1995) describes the citizen/customer debate as a struggle between the words **"Customers and Citizens"** to describe "an organisation's relations with those who purchase or use its products or services" (p44). Turner (1993) explains the reasons for the struggle: "a number of contemporary crises have given a special focus to the nature of citizenship in contemporary politics. The world-wide trend towards monetarism and an emphasis on markets has brought into question the foundations of the welfare state which were regarded by Marshall [1981] as an important ingredient of social citizenship." (p viii).

In other words, the struggle is between viewing service users as customers who choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993) and citizens who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996).

Turner (1993) also links the citizen/customer debate to the NPM. He does not use the phrase NPM but he refers to two of its types – NPM types 2 (an emphasis on markets) and 4 (social citizenship). The citizen/customer debate becomes a struggle between NPM types 2 and 4 – NPM type 2 symbolises the service user as customer position, whilst NPM type 4 symbolises the citizen position. NPM types 2 and 4 not only symbolise managerial ideologies but also citizenship concepts. In short, the transfer of the word customer from the private to the public sector may indicate the diffusion of a NPM type 2 discourse. The preference for one word over another indicates the preference for one citizenship concept over another. The transfer has profound implications. O'Toole (1993) asks – “If citizens are to be treated simply as 'customers', the ultimate question could be: what is the point of democratic government?" (p3).

This study uses five key word indicators, not just the words customer and citizen. The indicators were selected in two stages: by drawing on two of the indicators from the NPM typology (citizen and customer) and then by adding three others (people, tenant and resident). The three other indicators were added because the citizen/customer debate has simplified the nature of social relations between a local housing authority and its service users (for example, Cairncross, Clapham and Goodlad, 1997). Citizen is linked to people

(Inside Housing, 1996) and tenant (Edgar, 1991) and customer to resident (the researcher's preliminary assessment after the first reading of the documentary sources).

Focusing on the word citizen, Inside Housing (1996) links it to people by discussing the relevance of citizenship to housing. It concludes that in order to give "Power to all the people" (ibid, p14), housing professionals need to ask themselves a series of questions associated with citizenship. These questions are: "Is the current mix of skills and knowledge appropriate and what are the training implications? Does active citizenship have implications for professional attitudes towards tenants and the communities where they live? Do housing officers have good enough relations with other professionals?" (ibid, p15).

Still focusing on the word citizen, Edgar (1991) links it to tenant by discussing how service users are labelled. He argues against using customer because it limits, discriminates and homogenises. It limits because customers complain, it discriminates because public services become focused on price not quality and it homogenises because a patient's relationship with a hospital is not the same as a customer's with a shop. Instead, he argues for using specific labels – a council tenant, for example, is a council tenant and not a customer.

Focusing on the word customer, the researcher linked it to resident during his preliminary assessment after the first reading of the documentary sources. In particular, he noticed that in the Westminster documentary sources resident appeared to be more regularly used

than in the other sources. Westminster, by media reputation (the Designated Sales inquiry), views service users as customers because it pursues a policy of privatisation.

Reporting the results

Although this study uses five key word indicators, other words appear in the two documentary sources. The meaning of both sets of words are included within the meaning of service user. Coventry's strategy statement and Annual Report, the first to be analysed, use sixteen words (including the five key word indicators), which are listed by frequency:

- | | |
|---------------------------|-------------------|
| - people (148 references) | - home owner (8) |
| - tenant (148) | - students (6) |
| - household (46) | - leaseholder (5) |
| - homeless (34) | - citizen (2) |
| - you (32) | - client (2) |
| - population (26) | - public (2) |
| - applicant (21) | - customer (1) |
| - resident (9) | - victim (1) |

The variety is explained by the function of a local housing authority – it is “comprehensive” (DoE, 1993b, Annex A). Strategy statements “describe the full range of needs for housing in each local authority area, and the policies, plans and programmes designed to meet those needs.” (ibid, 1994a, introduction). They embrace “strategies of Planning and other service Departments, (including Community Care Plans, Urban Development Plans etc) Housing Corporation, Housing associations and private sector” (ibid, 1993b, Annex A).

Like the first and main mapping study, Appendix 2 reports the complete results and quantitatively summarises the data collected during the study. It was computed by summarising the manual data base which involved counting every reference to each of the

five key word indicators for the local housing authorities in this study. The computation process was almost the same as the process described in the first study. The difference between the studies is that in this study an additional activity was undertaken at the end of the process. The counts were weighted to take account of the different lengths and sizes of the documentary sources – they were divided by the number of notional A4 sized pages. Redbridge's strategy statement and Annual Report, for example, contain sixty-nine references to the word customer. Because the documentary sources have a combined length of ninety notional A4 sized pages, Redbridge's weighted count becomes 0.7667 (sixty-nine divided by ninety).

The reason for the additional activity, weighting the counts, concerns how the data is compared. In the first study the cumulative counts were converted into percentages to compare the relative concentrations of each NPM type both within and between the authorities. In this study the counts are weighted to directly compare how frequently each authority uses one of the five key word indicators. Figure 5.7 begins the comparison process for the discourse of NPM type 2 – the words customer and resident.

Figure 5.7: NPM type 2 discourse (Conservative local housing authorities in bold)

<i>Ranking</i>		<i>Customer</i>	<i>Resident</i>
1st	Local Housing Authority Weighted Count	Redbridge 0.7667	Westminster 2.371
2nd	Local Housing Authority Weighted Count	South Bedfordshire 0.4231	Carlisle 0.692
3rd	Local Housing Authority Weighted Count	Westminster 0.2429	Redbridge 0.689
4th	Local Housing Authority Weighted Count	Waltham Forest 0.2061	Waltham Forest 0.376
5th	Local Housing Authority Weighted Count	South Northamptonshire 0.1591	Camden 0.320
6th	Local Housing Authority Weighted Count	North Warwickshire 0.1304	Trafford 0.306
7th	Local Housing Authority Weighted Count	Camden 0.0485	Macclesfield 0.276
8th	Local Housing Authority Weighted Count	Macclesfield 0.0392	North Warwickshire 0.217
9th	Local Housing Authority Weighted Count	Carlisle 0.0385	Stevenage 0.182
10th	Local Housing Authority Weighted Count	Stevenage 0.0227	South Bedfordshire 0.115
11th	Local Housing Authority Weighted Count	Coventry 0.0103	Coventry 0.093
12th	Local Housing Authority Weighted Count	Trafford 0.0	South Northamptonshire 0.046

Figure 5.7 simplifies Appendix 2 by focusing on the weighted counts for the discourse of NPM type 2 – the words customer and resident. In the previous section, the word customer was linked to NPM type 2 because NPM type 2 symbolises service users as customers who choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). Customer was linked to resident by the researcher because of his preliminary assessment after the first reading of the documentary sources.

The weighted counts directly compare how frequently each local housing authority uses the words customer and resident. The authorities are ranked in a league table and divided into a top and bottom half. Dividing the league table into halves has been done because

the researcher has assumed that if one type of authority appears four or more times in the top six of the table then an important pattern is emerging.

Like the first study, interpreting the data from this study will be achieved by building up a pattern in four stages. The presentation of the data in Figure 5.7 is the first stage of pattern building. The data in Figure 5.7 empirically reveals that the discourse of NPM type 2 is used and that it varies between the local housing authorities. It empirically reveals that the discourse of NPM type 2 is used because there is evidence (counts) for the words customer and resident in all but one authority (Trafford does not use customer). It also empirically reveals that the discourse of NPM type 2 varies between the authorities because the size of the counts varies between the authorities. Figure 5.8 repeats the analysis for the discourse of NPM type 4 – the words citizen, people and tenant.

Figure 5.8: NPM type 4 discourse (Labour local housing authorities in bold)

Ranking		Citizen	People	Tenant
1 st	Local Housing Authority Weighted Count	Waltham Forest 0.024	Carlisle 2.39	Carlisle 2.77
2 nd	Local Housing Authority Weighted Count	Coventry 0.021	Coventry 1.53	Camden 2.67
3 rd	Local Housing Authority Weighted Count	Camden 0.019	Trafford 1.26	Waltham Forest 2.29
4 th	Local Housing Authority Weighted Count	Carlisle 0.0	Camden 1.06	North Warwickshire 2.09
5 th	Local Housing Authority Weighted Count	Macclesfield 0.0	Redbridge 0.66	Coventry 1.53
6 th	Local Housing Authority Weighted Count	North Warwickshire 0.0	Waltham Forest 0.61	Macclesfield 1.51
7 th	Local Housing Authority Weighted Count	Redbridge 0.0	Macclesfield 0.59	South Bedfordshire 1.50
8 th	Local Housing Authority Weighted Count	South Bedfordshire 0.0	South Northamptonshire 0.50	Stevenage 1.43
9 th	Local Housing Authority Weighted Count	South Northamptonshire 0.0	North Warwickshire 0.48	Trafford 1.40
10 th	Local Housing Authority Weighted Count	Stevenage 0.0	South Bedfordshire 0.46	Redbridge 1.34
11 th	Local Housing Authority Weighted Count	Trafford 0.0	Westminster 0.40	Westminster 1.11
12 th	Local Housing Authority Weighted Count	Westminster 0.0	Stevenage 0.27	South Northamptonshire 1.07

Figure 5.8 simplifies Appendix 2 by focusing on the weighted counts for the discourse of NPM type 4 – the words citizen, people and tenant. Again, in the previous section, the word citizen was linked to NPM type 4 because NPM type 4 symbolises service users as citizens who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996). Citizen was linked to people and tenant through the public management literature: Inside Housing (1996) linked citizen to people and Edgar (1991) linked citizen to tenant.

Again, the weighted counts directly compare how frequently each local housing authority uses the words and the authorities are ranked in a league table which is divided into a top and bottom half. The exception is the word citizen where only three authorities used the word – this table is divided after the three authorities.

The presentation of the data in Figure 5.8 is the second stage of pattern building. The data in Figure 5.8 empirically reveals that the discourse of NPM type 4 is used and that it varies between the local housing authorities. It empirically reveals that the discourse of NPM type 4 is used because there is evidence (counts) for the words citizen, people and tenant in most of the authorities (all the authorities use people and tenant, but only three use citizen). It also empirically reveals that the discourse of NPM type 4 varies between the authorities because the size of the counts varies between the authorities.

In the first study, NPM type 2 became the key type because it seems to map variation in NPM diffusion. In contrast, in this study, it is language change (the use of the five key word indicators) which seems to map variation in NPM diffusion. By mapping variation in NPM diffusion it is meant that some words, like customer and resident, may be being transferred from the private to the public sector and may be replacing other words, like citizen, people and tenant. This transfer and replacement process may indicate the diffusion of a NPM type 2 discourse. The preference for one word over another may indicate the preference for one citizenship concept over another.

Taken together, the presentation of the data in Figures 5.7 and 5.8 is the third stage of pattern building. The data in Figures 5.7 and 5.8 empirically suggests that the local housing authorities may be involved in the process of transferring and replacing words – they may either be avoiding the discourse of NPM type 2 and maintaining the discourse of NPM type 4 or promoting NPM type 2 and relegating NPM type 4. Conservative authorities seem to be promoting the discourse of NPM type 2 (Figure 5.7), whilst Labour authorities seem to be maintaining NPM type 4 (Figure 5.8).

Four Conservative local housing authorities appear in the top half of the customer league table, though an equal number of Conservative and Labour authorities appear in the top half of the resident league table. Resident is linked to customer even though Labour authorities use it as much as Conservative authorities because of Westminster. Westminster uses the word much more than any other authority – its score (2.371) is much higher than the next (Carlisle's 0.692). Within discourse analysis, this “overwording” suggests that the word is “ideologically contested” (Fairclough, 1989b, 1995 edition, pp 110-1). Westminster appears to be steering away from the discourse of NPM type 4 and is supplementing its use of the word customer with resident – it is preoccupied with NPM type 2. (Figure 5.7.)

In contrast, Labour local housing authorities almost completely pack the top of the NPM type 4 league tables. Only Labour authorities use the word citizen, five appear in the top half of the tenant league table and four appear in the top half of the people league table. (Figure 5.8.)

As a consequence, the researcher has interpreted the process of transferring and replacing words as important. He has also interpreted those local housing authorities which avoid the discourse of NPM type 2 and maintain the discourse of NPM type 4 as low change non-receptive contexts for the NPM. In addition, he has interpreted those authorities which promote the discourse of NPM type 2 and relegate the discourse of NPM type 4 as high change receptive contexts for the NPM. Furthermore, he has interpreted language change as an indicator of the diffusion of the NPM. In short, language change (the use of the five key word indicators) seems to map variation in NPM diffusion.

Like the first study, the discourse of NPM type 2 may be important because it symbolises an ideological extreme of the NPM – the development towards a quasi market (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). Because NPM type 2 is extreme, some local housing authorities will adopt it, but others will be more reluctant. Similarly, the discourse of NPM type 4 may be important because it captures the past – where the authorities have evolved from. By capturing the past it is meant that NPM type 4 is characterised by a critique of NPM type 2 and the development towards a quasi-market (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996).

This study corroborates the empirical contributions of the first study. First, recent developments in public management theory are supported by empirically revealing that the NPM exists and that it varies between and within the local housing authorities. The data in Figures 5.7 and 5.8 revealed that the discourses of NPM type 2 and 4 are used and that they vary between the authorities. Because most authorities use all five key word

indicators and in different combinations (Trafford does not use customer and only three use citizen), Figures 5.7 and 5.8 reveal that the NPM also varies within the authorities.

Second, existing social theory is confirmed by empirically revealing that the local housing authorities are dynamic. The discourse of NPM types 2 and 4 and the citizenship concepts they symbolise are dynamic because the discourses and the concepts configure in a variety of patterns. Conservative authorities seem to be promoting the discourse of NPM type 2 (Figure 5.7), whilst Labour authorities seem to be maintaining NPM type 4 (Figure 5.8). Both sets of authorities, however, still use the alternative discourse: Conservative authorities use the discourse of NPM type 4 (Figure 5.8), whilst Labour authorities use NPM type 2 (Figure 5.7).

Third, the debate about the degree of organisational variation and similarity is contributed to by empirically revealing that there is variation in local authority housing. Because the discourse of NPM types 2 and 4 vary between and within the authorities, it is revealed that there are organisational hybrids and there is organisational variety.

Mapping variation in NPM diffusion

The data in Figures 5.7 and 5.8 suggested that the local housing authorities may be involved in the process of transferring and replacing words – they may either be avoiding the discourse of NPM type 2 and maintaining the discourse of NPM type 4 or promoting NPM type 2 and relegating NPM type 4. As a consequence, the researcher has interpreted the process of transferring and replacing words as important because language change (the use of the five key word indicators) seems to map variation in NPM diffusion.

Westminster is the Conservative high change receptive context because it is the only local housing authority which strategically exploits all NPM type 2 indicators. Conversely, it is the only authority which appears in the bottom two of the people and tenant league tables and does not exploit the word citizen. It promotes the discourse of NPM type 2 and relegates NPM type 4. There is no Labour equivalent. Waltham Forest is the only Labour authority which appears in the top half of the NPM type 2 league tables. Conversely, Stevenage is the only Labour authority which appears in the bottom half of the people and tenant league tables and does not exploit the word citizen. Waltham Forest promotes the discourse of NPM type 2 and Stevenage relegates NPM type 4.

In contrast, Trafford is the Conservative low change non-receptive context because it is the only local housing authority which does not strategically exploit the word customer – there are no references. Conversely, it is one of three Conservative authorities which appear in the top half of the people and tenant league tables. It avoids the discourse of NPM type 2 and maintains NPM type 4. Coventry is the Labour low change context because it is one of three authorities which exploit all NPM type 4 indicators. Conversely, of the three authorities it is the only one which appears in the bottom half of the NPM type 2 league tables. Indeed, it appears in the bottom two of those tables. It avoids the discourse of NPM type 2 and maintains NPM type 4.

In part explaining variation in NPM diffusion

Figure 5.9 summarises and develops Figures 5.7 and 5.8 to in part explain variation in NPM diffusion.

Figure 5.9: In part explaining variation in NPM diffusion

5 Key Word Indicators		Sample Rationale			
		Political Context	Organisation Size	Performance Rating	Geographical Location
Customer	Local Housing Authority Type/ No. At Top Of League Table	Conservative 4 out of 6	N/A	N/A	South 4 out of 6
Resident	Local Housing Authority Type/ No. At Top Of League Table	Conservative 1, Westminster	Large 5 out of 6	N/A	South 4 out of 6
Citizen	Local Housing Authority Type/ No. At Top Of League Table	Labour 3 out of 3	Large 3 out of 3	N/A	N/A
People	Local Housing Authority Type/ No. At Top Of League Table	Labour 4 out of 6	Large 5 out of 6	N/A	N/A
Tenant	Local Housing Authority Type/ No. At Top Of League Table	Labour 5 out of 6	N/A	N/A	North 4 out of 6

Figure 5.9 reports findings which can be used to in part explain variation in NPM diffusion. Like the first study, this is achieved by relating the distribution of the local housing authorities for each of the five key word indicators to the sample rationale. The sample rationale in part explains variation in NPM diffusion by identifying receptivity factors. The sample rationale identifies receptivity factors because it selected authorities by striking a balance in: political context, organisation size, performance rating and geographical location.

The distribution of the local housing authorities for each of the five key word indicators is computed by noting when one type of authority appears four or more times in the top six of a league table. The exception is the word citizen because only three authorities used it – one type of authority must appear on all occasions. Political context, for example, contains two types of authority: Conservative and Labour. For the word customer the

Conservative authority type is noted because it appears four times in the top six of the league table.

Variation is explained by noting when one of the four elements of the sample rationale (political context, organisation size, performance rating and geographical location) reveals a pattern in the diffusion of the discourses of NPM types 2 and 4. By revealing a pattern it is meant when the data in Figure 5.9 suggests that there is an approximation for one of the four elements between the discourse of NPM type 2 and one type of local housing authority and between the discourse of NPM type 4 and the alternative type of authority. Political context, for instance, reveals a pattern because Conservative authorities promote the discourse of NPM type 2 (the words customer and resident), whilst Labour authorities maintain NPM type 4 (the words citizen, people and tenant).

The presentation of the data in Figure 5.9 is the fourth and last stage of pattern building. The data in Figure 5.9 empirically reveals that there is one principle receptivity factor (political context) and one subsidiary factor (geographical location). Organisation size and performance rating are not receptivity factors.

Political context is the principle receptivity factor because it strongly indicates the diffusion of a NPM discourse – all five key word indicators were strategically exploited. Conservative local housing authorities are more likely to be high change receptive contexts than Labour authorities because Conservative authorities promote the discourse of NPM type 2, whilst Labour authorities maintain NPM type 4. Four Conservative authorities appear in the top half of the customer league table and resident is colonised by

the Conservatives because Westminster uses the word much more than any other authority. Westminster's frequency has already been discussed. In contrast, Labour authorities almost completely pack the top of the NPM type 4 league tables. Only Labour authorities use the word citizen, five appear in the top half of the tenant league table and four appear in the top half of the people league table.

Geographical location is the subsidiary receptivity factor because it weakly indicates the diffusion of a NPM discourse – three instead of all five key word indicators were strategically exploited. Both NPM type 2 indicators were exploited, whilst only one of the three NPM type 4 indicators was exploited. Southern local housing authorities are more likely to be high change receptive contexts than northern authorities because southern authorities promote the discourse of NPM type 2, whilst northern authorities maintain NPM type 4. Four southern authorities appear in the top half of the NPM type 2 league tables, whilst four northern authorities appear in the tenant league table.

Combining this data with the data from the first study suggests that there are north/south differences. The data in Figure 5.5 suggested that being 'northern' may be associated with being a low change non-receptive context for NPM type 2. The data in Figure 5.5 was inconclusive about the nature of being 'southern'. Similarly, data in Figure 5.9 suggests that being northern may be associated with being a low change context because northern local housing authorities maintain the discourse of NPM type 4. In contrast, the data in Figure 5.9 is more conclusive about the nature of being southern. It suggests that being southern may be associated with being a high change context because southern authorities promote the discourse of NPM type 2.

Organisation size and performance rating are not receptivity factors because they do not indicate the diffusion of a NPM discourse. Although organisation size might appear to be a receptivity factor, because three of the key word indicators were strategically exploited, larger MDCs, however, exploit indicators for both NPM types 2 and 4. Again, the presupposition that larger MDCs are more likely than smaller DCs to be high change receptive contexts for change is contradicted.

Before discussing the three implications of this study, it is important to note that this study corroborates the results of the first study and to synthesise the core empirical findings of both studies. Interpreting the data from both studies has been achieved by building up a pattern in stages. Both studies empirically revealed that the NPM exists and that it varies within and between the local housing authorities (Figures 5.1, 5.7 and 5.8).

In the first study, the data in Figure 5.4 suggested that the local housing authorities may either be avoiding NPM type 2 or be adopting NPM type 2. As a consequence, the researcher has interpreted NPM type 2 as the key type because it seems to map variation in NPM diffusion. In this study, the data in Figures 5.7 and 5.8 suggested that the authorities may be involved in the process of transferring and replacing words – they may either be avoiding the discourse of NPM type 2 and maintaining the discourse of NPM type 4 or promoting NPM type 2 and relegating NPM type 4. As a consequence, the researcher has interpreted the process of transferring and replacing words as important because language change (the use of the five key word indicators) seems to map variation in NPM diffusion.

The two NPM maps are almost identical. In both studies Westminster is the Conservative high change receptive context, Trafford is the Conservative low change non-receptive context and Coventry is one of Labour's lowest change non-receptive contexts (Figures 5.5, 5.7 and 5.8). In the first study, the data in Figure 5.5 suggested that Coventry is the second lowest change context, whilst in this study, the data in Figures 5.7 and 5.8 suggested that it is the low change context. The difference between the studies is identifying Labour's highest change receptive context. In the first study, the data in Figure 5.5 suggested it was Carlisle, whilst in this study, the data in Figures 5.7 and 5.8 suggested it was shared between Waltham Forest and Stevenage. Clearly, a definitive Labour high change receptive context for the NPM has yet to emerge.

The two explanations are also almost identical. In the first study, the data in Figure 5.5 suggested that variation in NPM diffusion is explained in terms of three receptivity factors: political context, performance rating (for high change receptive contexts) and geographical location (for low change non-receptive contexts). Similarly, in this study, the data in Figure 5.9 suggested that variation is explained in terms of political context and geographical location. The difference between the studies is that the first identifies a third receptivity factor – performance rating.

Although this study corroborates the results of the first study, it may have also tracked the diffusion of a NPM type 2 discourse – the transfer of the words customer and resident from the private to the public sector. In addition, it has also contributed to the citizen/customer debate by empirically mapping and explaining variation in the diffusion of

the two citizenship concepts. Furthermore, the theoretical and speculative links between the words citizen, people (Inside Housing, 1996) and tenant (Edgar, 1991) and between customer and resident (the researcher's preliminary assessment after the first reading of the documentary sources), seem to have been confirmed empirically.

Clarifying the role of discourse in shaping strategic change

Three implications of the second and supporting mapping study will be discussed: clarifying the role of discourse in shaping strategic change, defining the type of service a user will receive and improving understanding of quasi-market development.

The implication of using discourse to reveal invisible ideas maps is that discourse has been a strategy for shaping strategic change – a process is in operation which has created the ideas map. This process has been labelled “a move towards ‘cultural governance’” (Fairclough, 1999, p4). This study suggests two insights into the process: the role of strategic choice and how strategic exploitation is achieved.

Before discussing the two insights into cultural governance, the researcher acknowledges that one limitation of this discussion is that the insights have not been confirmed by interviewing the writers of the documentary sources. Interviewing could have taken place in Trafford and Westminster, the two case studies, but did not because this analysis took place after the case study work was completed.

Like generic strategy formulation and implementation, cultural governance can be a deliberate and an emergent process. Edelman (1964, 1977 edition and 1972) explored it

as a deliberate process. He analysed language and politics and concluded that language was used persuasively for the "Mass Arousal And Quiescence" (ibid, 1972, title) of voters. In contrast, Fairclough (1991) explores it as an emergent process:

"I am not suggesting a self-conscious awareness ... of processes of manipulating its meaning potential. Calculation at such a level of detail is perhaps implausible, and it is more likely that calculation at a more general level about how to achieve specific communicative objectives with respect to particular audiences leads to unselfconscious adaptation of meaning resources to these higher purposes." (p40).

The second study suggests a possible third way – semi-conscious strategic choice. Although the NPM map indicates a high degree of calculation in the way that the five key word indicators have been used, it is unlikely that the writers of the documentary sources were counting the number of times they used the words. In other words, although the writers are conscious of what they are writing, they are not necessarily fully aware of how they are making their points.

The second study also suggests how strategic exploitation is achieved. Exploitation is founded on the notion that words, like the five key word indicators, have flexible meanings – they can combine two or more senses (Williams, 1976, 1988 edition; Pecheux, 1982; Hodge, 1984 and Fairclough, 1991). This is not ambiguity where a word has one sense or another, but ambivalence where a word can have an infinite meaning potential. As a consequence, the meaning of words is open to exploitation. (Fairclough, 1991.)

Three approaches can be used to strategically exploit the meaning of words, they can: be linked, have a key sense emphasised and be combined. First, words can be linked because although families of local housing authorities can have similar visions they can adopt different strategies and words to achieve their visions. Second, although words can have

an infinite meaning potential nevertheless a key sense is emphasised. Third and last, words from different institutional contexts can be combined in the same sentence to legitimate one or both words.

Words can be linked

Words can be linked because although families of local housing authorities can have similar visions they can adopt different strategies and words to achieve their visions. By authorities having similar visions but different strategies and words to achieve them, it is meant that two organisations can achieve the same goal in two ways. The second study empirically revealed that southern Conservative authorities, for example, are more likely to be high change receptive contexts because they promote the discourse of NPM type 2. But whereas Redbridge uses the word customer to symbolise change, Westminster uses resident. Redbridge and Westminster have been selected as examples because they are at the top of the customer and resident league tables. (Figure 5.7.)

Similarly, the second study empirically revealed that northern Labour local housing authorities are more likely to be low change non-receptive contexts because they maintain the discourse of NPM type 4. But whereas Coventry uses the words citizen, people and tenant, North Warwickshire uses tenant. Coventry and North Warwickshire have been selected as examples because the other Labour authorities that pack the top half of the NPM type 4 league tables are either located in the south (Waltham Forest and Camden) or are associated with NPM type 2 (Carlisle through the first and main mapping study). (Figure 5.8.)

This can take place because the five key word indicators are almost exclusively used independently – citizen, people and tenant do not appear in the same sentence and customer and resident only twice. This means that a word can be edited in or out depending on the strategy being pursued in a local housing authority. Resident is an example of a word being edited in, whilst citizen is an example a word being edited out. Whereas resident is overworded in Westminster (Figure 5.7), citizen is underworded in all the local housing authorities – there are only six references (Figure 5.10).

Words can have a key sense emphasised

Although words can have an infinite meaning potential nevertheless a key sense is emphasised. Figure 5.10 relates this notion to the five key word indicators.

Figure 5.10: Five key word indicators have four levels of meanings, but one sense is key

5 Key Word Indicators		Meanings Of The Words			
		Level 1	Level 2	Level 3	Level 4
Customer	Sense	Staff role	Specific service users (elderly)	Local population	Private residents
134	Count	69	40	23	2
Resident	Sense	Council tenants	Local population	Specific service users (elderly)	Private residents, home owners, private/social housing tenants, staff role, ambiguous usage, innovation, variation, ideology
377	Count	228	114	27	9 (does not include ideology)
Citizen	Sense				Local population, specific service users (elderly), staff role
6	Count	0	0	0	6
People	Sense	Specific service users (elderly)	A: Local population B: Symbolising civic pride	Council tenants	Council housing applicants, former council tenants, private residents, home owners, private/social housing tenants, staff role, innovation, variation.
654	Count	460	A=85, B=71	25	9
Tenant	Sense	Council tenants	Private sector/housing association tenants		All tenants
1277	Count	1237	38		2

Figure 5.10 relates the notion of a key sense being emphasised to the five key word indicators by identifying the meanings of the words as they are used in the documentary sources, dividing them into four levels by frequency of use and highlighting the key sense which is emphasised. The exception is the word citizen because there is only one level of use – there are only six references.

Computing frequency of use is difficult because several senses can be used at the same time. This was overcome by the researcher using the context of the indicator to form a judgement about the salient sense being activated. Again, the researcher acknowledges

that his judgement could have been confirmed by interviewing the writers of the documentary sources. Interviewing did not take place in Trafford and Westminster because this analysis took place after the case study work was completed.

Most of the categories are self-explanatory, one has been explained (the ideological use of the word resident by Westminster) and three more will be explained (ambiguous usage, innovation and variation). Symbolising civic pride is discussed later. Before explaining ambiguous usage, it is necessary to explain why ideology is not included in the counts for resident. This is because it would mean double counting some of the references to the word. Westminster used the word in the senses described in Figure 5.10 and then added another layer of meaning – ideology. Within discourse analysis, overwording suggests that a word is ideologically contested (Fairclough, 1989b, 1995 edition). Westminster uses resident much more than any other authority – its score (2.371) is much higher than the next (Carlisle's 0.692). Ideology is included in Figure 5.10 because it is the key sense which is emphasised.

Ambiguous usage is indicated by the phrase "Resident estate staff" (Westminster's Annual Report, p9) – are staff living-in or dealing with service users in residence? Innovation is indicated by using one of the five key word indicators when another is expected by the reader: "Minor schemes to respond to request for small schemes put forward by residents groups." (Coventry's strategy statement, p36). The expected indicator is tenant because Coventry uses tenant one-hundred-and-forty-eight times and resident nine times. Variation is indicated by using one indicator as an alternative to another: "There is a need to meet the needs of ... elderly people ... A comparison of the age profile of tenants in

sheltered schemes in 1976 and 1990 suggests that more than half of all residents are now over the age of 80 compared with less than 40% in 1976." (South Northamptonshire's strategy statement, p14). People is replaced by tenant, which in turn is replaced by resident.

Although the five key word indicators have four levels of meanings, one sense is key and it is not necessarily the sense with the highest frequency. The key sense of the word resident has been discussed. The key sense of citizen has also been discussed, but not explicitly. The key sense is staff role which is revealed through frequency of use. Whereas resident is overworded in Westminster, citizen is underworded in all the local housing authorities. The reason for citizen being underworded is in Waltham Forest's strategy statement which refers to the Citizen's Charter. The Charter links citizen to NPM type 1 – one of the Charter's four main themes was to introduce public service performance indicators (HMSO, 1991). As a consequence, authorities preoccupied with NPM type 4 are rewording citizen as people and tenant. Strategic exploitation takes the form of tainting a word traditionally associated with NPM type 4 with NPM type 1. Citizenship is less likely to be defined as service users who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996) and more likely to be defined in terms of staff role. NPM type 1 is associated with audit, especially of performance indicators by staff. The paradoxical result of underwording is that it reinforces the association of citizen with NPM type 4 because when it is used it will strongly indicate potential NPM type 4 diffusion.

Staff role is also the key sense of the word customer – all but three local housing authorities only use this sense (South Bedfordshire, Redbridge and Trafford). Staff role again refers to using performance indicators, but is enlarged to include establishing the principle of customer care, identifying service users' needs, implementing change and continuity (of procedures) in change. These functions reinforce the association of customer with NPM type 2 because they are rhetorically associated with private sector best practice – delivering customer care.

The key sense of the word tenant is council tenant which is again revealed through frequency of use. Unlike citizen and like resident it is overworded – of one-thousand-two-hundred-and-seventy-seven references, only thirty-eight refer to other types of tenants and two refer to all tenants. This overwording reinforces the association of tenant with NPM type 4 because it empirically supports Edgar's (1991) argument about how service users are labelled. He argues against using customer because it limits, discriminates and homogenises. Instead, he argues for using specific labels – a council tenant is a council tenant and not a customer. The data in Figure 5.8 reveals that Labour local housing authorities may agree with Edgar (ibid) because five Labour authorities appeared in the top half of the tenant league table.

The key sense of the word people is symbolising civic pride – the other four key word indicators do not use this sense. Symbolising civic pride refers to establishing a relationship of trust and solidarity with readers: "Housing our People" (Coventry's strategy statement, cover and Annual Report, p1 and p4). The grammar of the slogan reinforces the association of people with NPM type 4 because it assumes a paternalistic

view of the state. The use of 'our' suggests that if the slogan was written as a sentence it would read: 'We [Coventry] are housing our people'. The alternative does not make sense: 'Coventry is housing our people'. The use of the we is exclusive and does not include the reader. This is important because it assigns the writer a proactive information giver role and the reader a passive receiver role. (Fairclough, 1989b, 1995 edition and Butler and Keith, 1999.)

Words can be combined

Words from different institutional contexts can be combined in the same sentence to legitimate one or both words (Fairclough, 1991). The range of this discussion is limited by focusing on the two original key word indicators of this study (citizen and customer) and how they combine with management discourse (CCT, performance and quality). CCT, performance and quality are drawn from the NPM typology. Citizen is not combined with CCT, performance and quality, whilst customer is with all three. Citizen is not combined with management discourse because it is underworded in all the local housing authorities.

In general, although the word customer is strategically exploited by southern Conservative local housing authorities, when it is combined with management discourse Labour authorities are as likely to do this. There are four examples for the word performance and they occur evenly in two Conservative (South Northamptonshire and Redbridge) and two Labour authorities (Waltham Forest and Coventry). There are also four examples for quality and they again occur evenly in two Conservative (South Northamptonshire and South Bedfordshire) and two Labour authorities (Camden and Stevenage). The exception

is the phrase CCT because there is only one example and it occurs in a Conservative authority (South Bedfordshire).

Labour local housing authorities are as likely as Conservative authorities to combine the word customer with management discourse for two reasons. Some Labour authorities behave unconventionally like Conservative authorities, whilst others behave conventionally like traditional Labour authorities yet still combine the word customer with management discourse.

Some Labour local housing authorities, for example, Waltham Forest and Stevenage, behave unconventionally like Conservative authorities, for instance, South Northamptonshire, Redbridge and South Bedfordshire. This is because they are high change receptive contexts promoting the discourse of NPM type 2 and relegating NPM type 4 (Figures 5.7 and 5.8). All these authorities, except Stevenage, appear in the top half of customer league table (Figure 5.7). Stevenage is, however, the only Labour authority which appears in the bottom half of the people and tenant league tables and does not exploit the word citizen (Figure 5.8). This means that high change contexts may be oriented to adopt widespread language change – one change legitimating another.

In contrast, other Labour local housing authorities, for example, Camden and Coventry, behave conventionally like traditional Labour authorities yet still combine the word customer with management discourse. Traditional Labour authorities are low change non-receptive contexts avoiding the discourse of NPM type 2 and maintaining NPM type 4 (Figures 5.7 and 5.8). Camden and Coventry are two of the three Labour authorities

which exploit all NPM type 4 indicators. These authorities, however, still combine the word customer with management discourse. This may be explained by the lure of the rhetoric of customer care. Camden is applying for the Chartermark: "take any appropriate action in response to the survey of users ... and apply for Chartermark ... and ensure it meets best standards criteria for high quality and customer oriented service [targets for 1994/5]." (strategy statement, p71). Coventry has a comments, compliments and complaints procedure: "We welcome hearing what our customers have to say about our service, whether we are performing well or badly." (Annual Report, p5).

Underlying the lure of the rhetoric of customer care is the same process as that taking place in the high change receptive contexts. Once a language change has been decided on, it is legitimated by another. On this occasion, the word customer is combined with management discourse.

It should be noted that other linguistic processes are at work. Waltham Forest, for example, uses a different sense of the word quality – quality of life: "schemes which improve the quality of life of our customers in their homes and on their estates are addressed." (strategy statement, p52). This may be interpreted as the discourse of NPM type 4 and may be more stereotypical of a Labour authority. Figure 5.11 summarises the discussion about how strategic exploitation is achieved.

Figure 5.11: Three approaches can be used to strategically exploit the meaning of words

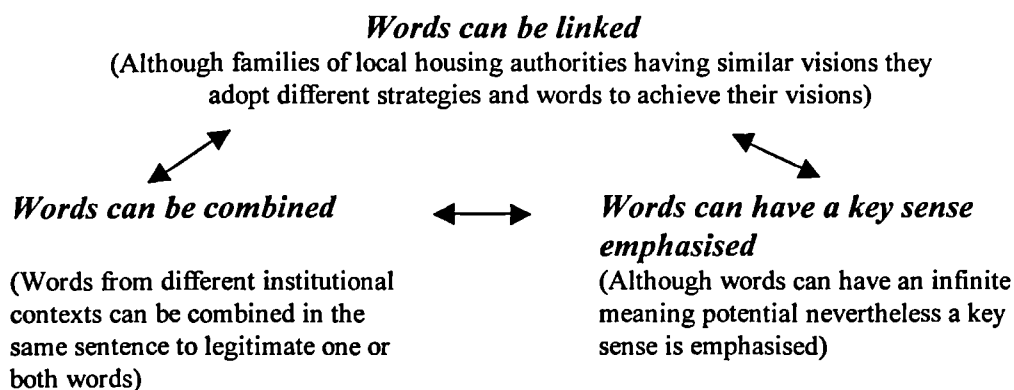


Figure 5.11 summarises the discussion by identifying three approaches that can be used to strategically exploit the meaning of words, they can: be linked, have a key sense emphasised and be combined. The two-way arrows emphasise that the approaches are interconnected and can be exploited at the same time, as in this study. The approaches can also be exploited independently or in different combinations. This study empirically confirms that exploitation is founded on the notion that words, like the five key word indicators, have flexible meanings (Williams, 1976, 1988 edition; Pecheux, 1982; Hodge, 1984 and Fairclough, 1991). Without such flexibility local housing authorities would not be able to construct their individual identities or signatures. By constructing individual identities or signatures it is meant that authorities can either be low change non-receptive contexts avoiding the discourse of NPM type 2 and maintaining NPM type 4 or high change receptive contexts promoting the discourse of NPM type 2 and relegating NPM type 4.

Two other implications

Two other implications of the second and supporting mapping study will be discussed: defining the type of service a user will receive and improving understanding of quasi-market development.

First, discourse as a strategy for shaping strategic change defines the type of service a user will receive and how that user will perceive their role. Local housing authorities have the responsibility to mix the elements of NPM types 2 and 4 which suit their organisational context. If this responsibility is waived, then the ultimate question becomes: are we service users or used by services in their ideological contests? In general, by ideological contests it is meant the coexistence and the fall and rise of managerial ideologies (Child, 1972; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998). In the context of this discussion, the specific ideological contest is the citizen/customer debate. At the start of this section it was noted that NPM types 2 and 4 represent the citizen/customer debate – NPM type 2 symbolises the service user as customer position, whilst NPM type 4 symbolises the citizen position. The outcome of this contest or debate, will decide how service users are governed – the type of service they (and we) will receive.

The danger of being used by services is that users may become victims of David Hockney's concern with images having a murky transparency: "I have always been aware that there is a great pleasure in seeing. I tend to make things charming because that's my way, but often it's a bit of a disguise." (quoted in Melia, 1996, introduction). In short,

service users may think that they are getting one type of service when in practice they are getting another.

Second, understanding of quasi-market development is improved by not limiting the citizen/customer debate to the struggle between viewing service users as customers who choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993) and citizens who participate in government to improve service delivery (O'Toole, 1993; Ranson and Stewart, 1994 and Clapham, Dix and Griffiths, 1996). Instead, the service user is better represented by Kelly's (1996) incremental model of enhancing "Customer care" (p21). Kelly constructs a consumer who does not exit state provision of welfare services, but who can expect improved services. The key sense of the word customer, staff role, reveals how services can be improved, by: establishing the principle of customer care, identifying service users' needs, using performance indicators, implementing change and continuity (of procedures) in change.

Concluding remarks

This chapter has at the meso level through two mapping studies empirically mapped and in part explained variation in NPM diffusion. The second and supporting mapping study has also tracked the diffusion of a NPM type 2 discourse in order to corroborate the results of the first and main study – the transfer of the words customer and resident from the private to the public sector. In addition, the second study has also contributed to the citizen/customer debate by empirically mapping and explaining variation in the diffusion of the two citizenship concepts. In other words, the chapter has revealed an invisible ideas map.

Returning to the three contemporary themes of governance, variation and continuity, these themes are evident at the meso and empirical levels of change. The synthesis of the core empirical findings of both studies empirically revealed that governance can be delivered in a variety of ways and for a variety of reasons. In particular, both studies empirically revealed that the NPM exists and that it varies within and between the local housing authorities.

In the first study, the data suggested that the local housing authorities may either be avoiding NPM type 2 or be adopting NPM type 2. As a consequence, the researcher has interpreted NPM type 2 as the key type because it seems to map variation in NPM diffusion. In the second study, the data suggested that the authorities may be involved in the process of transferring and replacing words – they may either be avoiding the discourse of NPM type 2 and maintaining the discourse of NPM type 4 or promoting NPM type 2 and relegating NPM type 4. As a consequence, the researcher has interpreted the process of transferring and replacing words as important because language change (the use of the five key word indicators) seems to map variation in NPM diffusion.

The two NPM maps are almost identical. In both studies Westminster is the Conservative high change receptive context, Trafford is the Conservative low change non-receptive context and Coventry is one of Labour's lowest change non-receptive contexts. In the first study, the data suggested that Coventry is the second lowest change context, whilst in the second study, the data suggested that it is the low change context. The difference between the studies is identifying Labour's highest change receptive context. In the first

study, the data suggested it was Carlisle, whilst in the second, it suggested it was shared between Waltham Forest and Stevenage. Clearly, a definitive Labour high change receptive context has yet to emerge.

The two explanations for the two NPM maps are also almost identical. In the first study, the data suggested that variation in NPM diffusion is explained in terms of three receptivity factors: political context, performance rating (for high change receptive contexts) and geographical location (for low change non-receptive contexts). Similarly, in the second study, the data suggested that variation is explained in terms of political context and geographical location. The difference between the studies is that the first identifies a third receptivity factor – performance rating.

Because the two NPM maps and explanations are almost identical the five key word indicators may provide a quicker but less reliable method for empirically mapping and explaining variation in NPM diffusion. They may also provide a quicker and less reliable method for identifying a local housing authority's individual identity or signature – they indicate its organisational structures and management systems which operate as high change receptive or low change non-receptive contexts for the NPM.

Indeed, the implication of using discourse to reveal invisible ideas maps is that discourse has been a strategy for shaping strategic change – a process is in operation which has created the ideas map. This study suggests two insights into the process of cultural governance: the role of strategic choice and how strategic exploitation is achieved. The

process of cultural governance, like the NPM, is an emerging field of study and needs further research.

The synthesis of the core empirical findings of both studies also empirically revealed a theme which has not been drawn out so far. Although governance can be delivered in a variety of ways and for a variety of reasons, there is also some continuity of existing organisational structures and management systems. This is symbolised by NPM type 4. In the first study, NPM type 4 is ranked first in ten of the twelve local housing authorities. In the second study, the discourse of NPM type 4 is still used. The word citizen, however, is under attack by being tainted with associations of NPM type 1. Nevertheless, creatively, citizen is being linked to other words: people and tenant.

What is emerging is a picture like that described in Chapter Three (pp 59-93). There is a patchwork of different types of public service organisation and management. In the CCT literature review the patchwork was revealed by discussing five specific issues, including the shift of service delivery from the private sector. In this chapter it is revealed by discussing NPM diffusion.

These research findings make empirical contributions to two other fields of study: social and generic organisational theory. Existing social theory is confirmed by empirically revealing that the local housing authorities and, by implication, society in general, are dynamic – there is the coexistence and the fall and rise of managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Generic organisational theory is contributed to by empirically

revealing that there is variation in local authority housing and, also by implication, public service organisation and management (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996).

Following the sequence and timing of data collection and analysis outlined in the last chapter (Four), the next two chapters (Six and Seven) will at the micro (organisation) level through two case studies empirically confirm the results of the two mapping studies. Chapter Six will describe and analyse the case study work in Trafford – the low change non-receptive context for the NPM. It will also begin to answer a question which is implied in the purpose of this chapter. One of the purposes of this chapter was to in part explain variation in NPM diffusion. The implied question is to explain the process of change in greater detail – what are the motors of and barriers to NPM diffusion? The answer to this question can only be achieved by case study work.

CHAPTER 6

TRAFFORD CASE STUDY – THE SHOCK OF THE NEW

“You will remember, Watson, how the dreadful business of the Abernety family was first brought to my notice by the depth with which the parsley had sunk into the butter on a hot day.”

Sherlock Holmes: The Six Napoleons

Introduction

The purpose of chapters Six and Seven is at the micro (organisation) level through two case studies to empirically confirm the results of the two mapping studies by demonstrating variation even in two Conservative authorities, explain variation in NPM diffusion in greater detail and improve understanding about quasi-market development. The purpose of this chapter is to describe and analyse the case study work in Trafford – the low change non-receptive context for the NPM.

Trafford was identified as the Conservative low change non-receptive context for the NPM in both mapping studies. This is despite Trafford being high profile because until May 1994 it was the only Conservative Metropolitan District Council outside London. In the first and main mapping study, the data suggested that the local housing authorities may either be avoiding NPM type 2 or be adopting NPM type 2. As a consequence, the researcher interpreted NPM type 2 as the key type because it seems to map variation in NPM diffusion. Interpreting the data in this way, Trafford became the Conservative low change context for NPM type 2 because it was the only Conservative authority which ranked this type last (Chapter Five, Figure 5.5, p157).

In the second and supporting mapping study, the data suggested that the local housing authorities may be involved in the process of transferring and replacing words – they

may either be avoiding the discourse of NPM type 2 and maintaining the discourse of NPM type 4 or promoting NPM type 2 and relegating NPM type 4. As a consequence, the researcher interpreted the process of transferring and replacing words as important because language change (the use of the five key word indicators) seems to map variation in NPM diffusion. Interpreting the data in this way, Trafford became the Conservative low change context because it was the only authority which did not strategically exploit the word customer (a word associated with NPM type 2) – there were no references. Conversely, it was one of three Conservative authorities which appeared in the top half of the people and tenant league tables (words associated with NPM type 4). In short, Trafford avoided the discourse of NPM type 2 and maintained NPM type 4. (Chapter Five, Figures 5.7 and 5.8, p172 and p174.)

In order to fulfil the purpose of this chapter, of explaining in greater detail than Chapter Five (pp 147-202) why Trafford is the Conservative low change non-receptive context for the NPM, the NPM, because of its scope, needs to be focused. The NPM is focused by highlighting one key stream of NPM strategic activity – privatisation through the implementation of CCT.

CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study. The NPM literature review identified theoretical and empirical reasons for selecting CCT implementation. Theoretically, the review indicated that the private sector is playing an important role in public service organisation and management (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). In local government, CCT facilitates private sector participation in public service management (Wilson and Doig, 1995). Empirically, the review found that council housing management is one

of the two oldest welfare privatisations – the other being pensions (Flynn, 1997). By selecting council housing management instead of pensions as the focus of this research, it meant that an assessment of CCT should be made (Stewart, 1995).

The first and main mapping study found that NPM type 2 maps NPM variation. Having found this pattern, a NPM type 2 strategic activity was selected for interviewees to comment on. CCT implementation was selected because it is rooted in the broader principles of privatisation embraced by the Conservative government since 1979 (Rao and Young, 1995). By selecting CCT implementation the issue of how to empirically evaluate a phenomenon recognised by academics but not by practitioners was overcome.

CCT is underdeveloped in Trafford. CCT is underdeveloped because Trafford only complied with CCT legislation and no contracts were awarded externally. The Director adopted a resistant strategy because he was cautious about implementing CCT – he was cautious when confronted by the shock of the new. By the resistant strategy it is meant that Trafford only complied with CCT legislation. The Director was able to adopt the resistant strategy because of staff, local councillor and tenant passivity. Passivity was in part generated by the Director's management style – he managed by command and control.

Even command and control structures and systems can change and there are indicators that this is happening. The mechanism of change appears to be personnel change. By personnel change it is meant that a new member of staff can change or adapt the organisational structures and management systems which an organisation has established and within which it operates. In 1997, for example, the Director retired

which created new opportunities for the Area Housing Managers. In other words, using Sherlock Holmes' metaphor, even the manners of polite society can be undermined.

The ideas signalled in the last two paragraphs will be developed by adopting the 'analytical approach' (Pettigrew, 1986). The analytical approach was introduced in Chapter Four (p132). This argues that there is a continuous interplay between the outer (environment) and inner (organisation) context of change (the why), the process of change (the how) and the content of change (the what). Having evaluated the outer context of change, questions at this level of change become:

- what happened? What is the history of CCT implementation?
- why is CCT underdeveloped?
- how was CCT resisted? What were the motors of and barriers to change? Were there critical dramas that reveal wider change processes?

These CCT questions are related to the NPM research themes and critical questions in the same way that CCT implementation is related to the NPM. The CCT questions focus the NPM research themes and critical questions by addressing one key process of change – CCT policy formulation and implementation and the role of individuals and their networks.

The chapter is divided into two sections. First, it will describe the content of change by telling the history of CCT implementation. Second, it will analyse the inner context and process of change by explaining why CCT is underdeveloped and how it became so.

Content of change (the what)

Before telling the history of CCT implementation, the interviewees will be identified, their relationship in the organisational structure will be described and the key

structural changes that have taken place during CCT implementation will be highlighted. There were twelve interviewees:

- the current Labour Chair of the Housing and Environmental Services Committee (1994-5 ongoing)
- the former Conservative Chairman of the Social Services and Housing Committee (who still sits on the Housing and Environmental Services Committee) (1991/2-1993/4)
- the Director of Housing (retired in 1997)
- the Maintenance Assistant Director
- the Management Assistant Director (in post from 1995-7)
- one Area Housing Manager (North)
- one Assistant Area Housing Manager (West) (who had been an Acting Area Housing Manager (Altrincham))
- one Senior Estate Management Officer (North)
- the Tenant Participation Officer (in post from 1994-6)
- the Chair of the Tenants' and Residents' Federation
- the Management Services Project Leader (a management advisor from the Department of Personnel and Management Services)
- the Team Leader from Co-operative Housing Services (CHS) (the tenant trainer from an agency external to Trafford)

Figure 6.1 describes the relationship of the interviewees in the organisational structure and highlights the key structural changes that have taken place during CCT implementation.

Figure 6.1: Organisational structure and the key changes that have taken place during CCT implementation

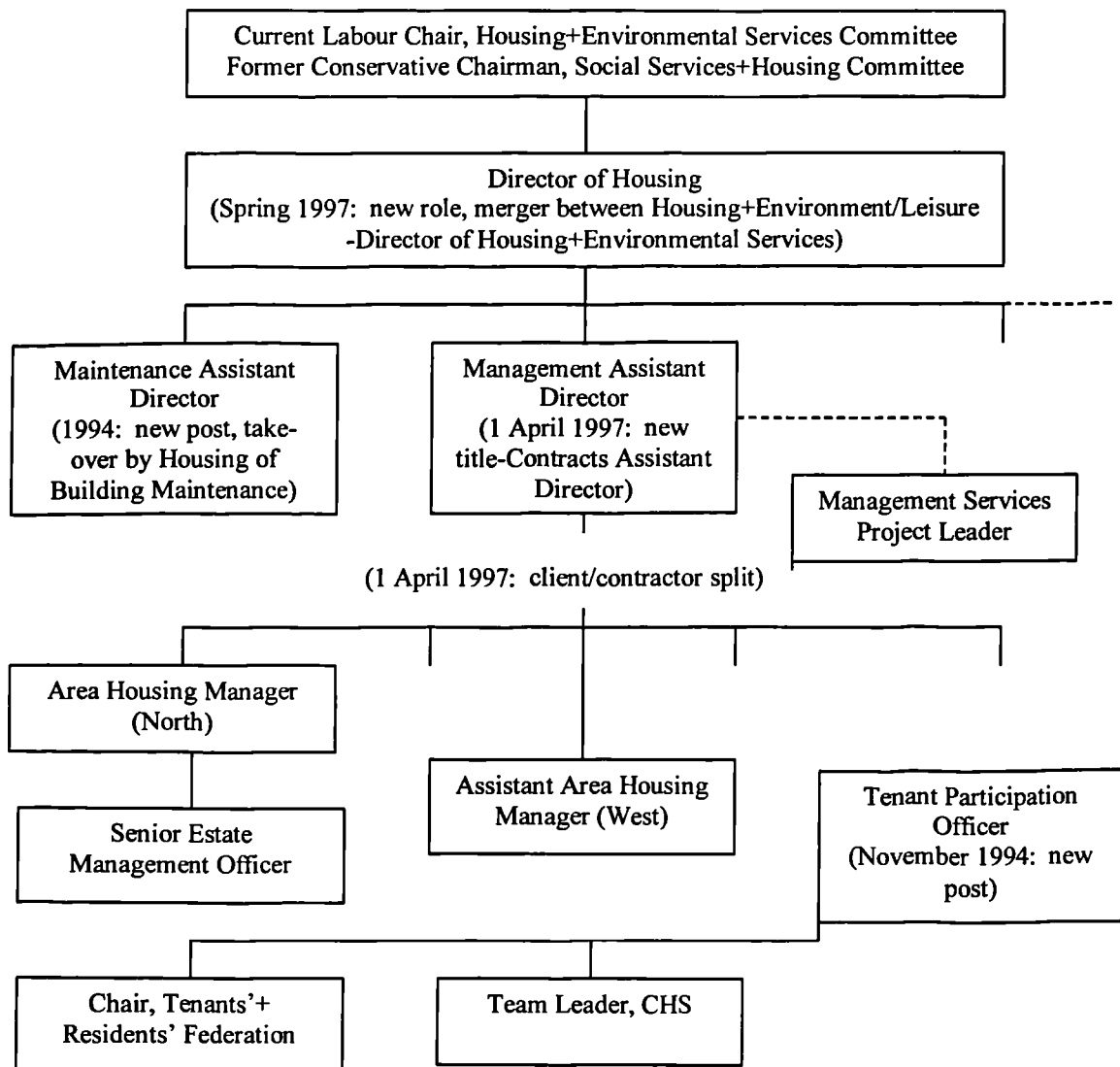


Figure 6.1 describes the relationship of the interviewees in the organisational structure in terms of a hierarchy. The interesting feature is the relationship between the Director and the Tenant Participation Officer. It breaks the rules of hierarchy because the Tenant Participation Officer reports directly to the Director. This is discussed later.

Figure 6.1 also highlights the key structural changes that have taken place during CCT implementation. To single out one change, policy separation or the client/contractor split has taken place. In Chapter Two (pp 22-4) policy separation is defined as

dividing policy formulation and implementation at the politician/senior manager interface to allow for the introduction of private sector finance, provision and regulation. Instead of policy separation taking place at the politician/senior manager interface, it has taken place at the senior/middle manager interface.

Telling the history of CCT implementation

The history of CCT implementation can be divided into three phases and it stretches back to 1993. The phases are: pre-tender activities (1993-6), pre-contract activities (13 November 1996-March 1997) and managing the contractual relationship (1 April 1997-ongoing). Figure 6.2 relates the three phases to the content of change.

Figure 6.2: Tracking the development of key inter-related policy initiatives

1993-4	1994	1995	1996	1996-7	1997
Pre-Tender				Pre-Contract	Contract
<i>Top-Down Change</i>					
Reviewing client/contractor split	Function: -allocations -repairs: *taken-over *decentralisation planned	Centralisation proposed Debate	One-stop shop+staffing structure discussed	Agreed, but no one-stop shop Agreed	Delayed Implemented, but computing problems
Service profiling	----->	Time/function recording	Completed		
Setting up cost centres	Set up, with service level agreements+ clear support service costs	Support service costs further clarified			
Identifying contract areas	----->	5 areas agreed +writing contract specifications	Specifications completed		
Staff training		Policies/ procedures+ finance			
Reviewing policies/ procedures		----->	Continuing process		
Staff consultation	Bulletin	----->	Quality Working Group		
	Tenant consultation strategy	Tenant training	Local councillors out of CCT		
<i>Bottom-Up Change</i> (Staff consultation+changing patterns of public service work)					
	Senior manager secondment+ dummy run, but did not happen	Competing priorities	Low morale+ lack of senior manager support, staff continuity/ staff numbers	High morale	Low morale, but staff training +clarifying roles

Figure 6.2 relates the three CCT implementation phases to the content of change by tracking the development of key inter-related policy initiatives. These are also discussed later. CCT implementation culminated in the awarding of five contracts to five in-house public sector contractors on 13 November 1996 – trading began on 1 April 1997.

CCT is a complex process and involves a large number of policy initiatives. Lewis and Glennerster (1997) empirically found the same type of complexity, the development of many inter-related policy initiatives, in another local government service – community care. Within local authority housing, a good practice guide to CCT implementation published by the Chartered Institute of Housing, acknowledged this complexity and discussed how to manage housing contracts (King and Newbury, 1996).

Although Figure 6.2 might portray CCT implementation as a linear process, the actual experience was more emergent. There are two examples: policy formulation and the implementation framework. Policy formulation emerged between 1994 and 1996. In 1994 Trafford sought general advice about CCT by buying literature recommending how CCT should be implemented and noted: “each Council has to adopt a process and make decisions which suits their structure and culture.” (CCT [staff] Bulletin 3, August 1994).

By September 1995 the policy was further clarified. More literature was bought and the contract specifications from some Greater Manchester local housing authorities “will help us to decide the format we want to adopt and save us having to re-invent the wheel on some issues.” (ibid, 7, September 1995). The Director also wanted to make his specification accessible: “my staff have to use it afterwards and to understand it”.

Finally, in May 1996, when the writing of the specifications was completed, the policy had fully emerged: “The specifications which have been tried and tested by some of the other local authorities have been used as a basis for developing our own

specification, which has then been specifically adapted to focus on Trafford's own particular needs and policies." (ibid, 9, May 1996).

The CCT implementation framework was also emergent. Figure 6.3 matches the DoE's framework with Trafford's intended and real frameworks.

Figure 6.3: Matching the DoE's CCT implementation framework with Trafford's intended and real frameworks

<i>Time</i>	<i>DoE</i>	<i>Trafford</i>	
		<i>Intention</i>	<i>Action</i>
(2) April 1996 21 (27) April June/September (5 August) Unspecified August (3) October (13) November November/ December		(Issue prior information notice) Advertise contracts Shortlist contractors (Closing date) (Evaluate applications, take references, interview, compile select list+get Committee approval) Invite tenders Receive (open) tenders (+get Committee approval to recommend contractor) Evaluate tenders	Advert in 'European Journal' Advert in 'European Journal'+ Specifications available for inspection 2 tenders submitted: in-house public sector contractor+SERCo Contracts awarded in-house
(17January)1997 1 April	Begin contracts	Award contracts Begin contracts (+publish in 'European Journal')	Contracts begin

Figure 6.3 matches the DoE's CCT implementation framework with Trafford's intended and real frameworks by drawing on two documentary sources (ibid and CCT Extra [newsletter], September 1996). The bracketed information refers to the CCT (staff) Bulletin (9, May 1996).

The DoE's date for beginning the contracts was kept to, but Trafford awarded its contracts about six weeks before it intended to (ibid and CCT Extra [newsletter], September 1996). Because Trafford awarded its contracts before it intended to, it

does not mean that the pace of change was advanced or even: “it went slowly in the initial stages and then it was rushed at the last bit ... I think now what we are trying to do is to piece it together, because it was all done at a rush we are trying to construct it together so the thing works for the benefit of tenants involving tenants and I think now we have got to take it as a slower pace than we did before.” (current Labour Chair and Chair of the Tenants’ and Residents’ Federation).

Pre-tender activities (1993-6)

In 1993-4 CCT first emerged as a strategic issue when “members decided that they would comply with the law on tenant participation to CCT and nothing else” (Director). Conservative and Labour local councillors, however, held different views about CCT: Conservatives, who formed the majority party, were uncommitted – “if we win we win, if somebody else can do it cheaper than us then we are quite happy”, whilst Labour “wanted to win” (ibid).

At the same time CCT began to appear on the formal managerial agenda as “a major topic” for discussion at the Departmental Management Team (DMT), the Senior Management Group and joint meetings (CCT [staff] Bulletin 2, May 1994). Earlier, it was noted that Lewis and Glennerster (1997) and King and Newbury (1996) describe CCT as a complex process which involves a large number of policy initiatives. In Trafford, the DMT and the Senior Management Group divided CCT implementation into seven key inter-related policy initiatives. These were: reviewing the client/contractor split, service profiling, setting up cost centres, identifying the contract areas, staff training, reviewing policies and procedures and staff consultation (Figure 6.2, 1993-4). (HIP strategy statement, 1994.)

The client/contractor split is the dominant issue because it lies at the heart of the quasi-market model – it creates the competitive market structure and is the first of Bartlett and Le Grand's (1993) five conditions for quasi-market success (Chapter Three, pp 65-7). In housing, some services are 'defined' by the DoE and therefore subject to CCT, but others are not and it is up to each local housing authority to decide which services or parts of services will be subject to CCT. Trafford focused on two non-defined activities: allocations and repairs (both Figure 6.2, 1994).

Three of the remaining seven key inter-related policy initiatives address two more of Bartlett and Le Grand's (ibid) five conditions for quasi-market success. Service profiling and setting up cost centres address the condition of keeping transaction costs and uncertainty to a minimum by identifying those costs. Identifying the contract areas addresses the condition of minimising cream-skimming by not discriminating between service users in favour of those who are least expensive.

In this phase the development of the seven key inter-related policy initiatives and three other issues will be tracked: the changing patterns of public service work, tenant consultation and local councillor relations. The changing patterns of public service work will be tracked because Chapter Three (pp 74-6) identified and discussed public service work as one of five specific CCT issues. In particular, public service work will be tracked because it reveals the impact on staff of the decisions about the other policy initiatives. Tenant consultation and local councillor relations will be tracked because tenants and local councillors are important stakeholders in the policy process (Malpass and Murie, 1982, 1994 edition). Whereas Pettigrew, Ferlie and McKee (1992) discuss the importance of co-operative inter-organisation networks in

the NHS, within local authority housing intra-organisation networks between tenants, local councillors and staff are an important issue.

Reviewing the client/contractor split: allocations and repairs

Within the client/contractor split there were two streams of activity: the Director's private agenda and a more public review of how the split should be carried out. The Director's private agenda was to restructure allocations and repairs by using the review of the client/contractor split to achieve his agenda. Repairs was, however, a higher priority initiative than allocations. The restructuring of repairs began in 1994 when Housing "took over building maintenance" (Director) and this was followed by the Director signalling his intent to decentralise the Maintenance Inspectors from a central location to each of the five Area Offices. The CCT (staff) Bulletin (4, October 1994) reported these events: "From 17 October the DLO [Direct Labour Organisation managing the Inspectors] and some of the surveying staff ... have transferred to the Housing Department. The surveyors will work solely for this department but the DLO will continue to do work for other departments. At present they will work as they have done from the Longford depot. However, their integration into the department is being further considered, particularly the need for greater links between the Area Offices and individual surveyors"

The aims of the decentralisation were to improve accountability to the Area Housing Managers and to tenants. The Area Housing Manager "is the best person to control the repairs and the associated activities in an area to meet the requirements of that area rather than a Central Team." (Management Service Project Leader). As a consequence, "the tenant knows that he's [Inspector] only in the local area office, so if they want to go and beat him up, they don't have to go to Sale." (ibid).

The decentralisation was planned “in absolute detail” (ibid) with the Management Assistant Director (-1995) and the Management Services Project Leader. It was supported by local councillors, but the Maintenance Assistant Director was not consulted. The need for such planning is explained by depth of change: “Other reorganisations have taken place but not to the depth of this. The really cosmetic reorganisations [are] where you say this chunk of staff are now moving” (ibid).

By 1995 the planning involved the Management Services Project Leader analysing the Inspectors’ work patterns. This was achieved by conducting “a diary exercise with these Inspectors”, which revealed “poor management” (ibid). The results were confirmed by anecdotal evidence and a pilot study involving Inspectors working from the North Area Office.

The restructuring of allocations began in August 1994, but decision-making was slow. It was only decided on 11 September 1995 “to propose that the non-defined element ... should be dealt with by a central team.” (CCT [staff] Bulletin 7, September, 1995). There were still two stages to go in the process: “This proposal will now be submitted to the Chief Officers CCT Working Group and, subject to their agreement, subsequently to Members.” (ibid). By May 1996 the proposal was more specific – the Director and the Labour Chair shared the “vision” of a one-stop shop: “it would be a bit like an estate agents, travel agents type of place, where you would just walk in and the people there would serve you, there would be glossy pictures on the wall” (Director). To achieve this vision “the Director of Personnel and Management Services’ staff have been working with the allocations officers and the Housing Needs

and Resources Section in order to determine a staffing structure” with the intention of it “running by April 1997” (CCT [staff] Bulletin 9, May 1996).

The more public review of how the client/contractor split should be carried out emerged after a critical drama. In 1996 there was pressure within the DMT for more CCT preparation and for it to be undertaken by the Contractor Working Group. In April the Management Assistant Director (1995-7) “had a big argument with the Director – she more or less told me she was not doing anything else and she started passing work down to us [Area Housing Managers] ... for a six month period” (Area Housing Manager [North]). The Management Assistant Director got her way and from April/May to November she worked with one seconded Area Housing Manager to prepare the in-house tender (CCT [staff] Bulletin 9, May 1996).

The Management Assistant Director (1995-7) and the seconded Area Housing Manager worked on the in-house tender “full-time” (Area Housing Manager [North] and Assistant Area Housing Manager [West]) and “the whole activity was in central office” (Area Housing Manager [North]). The big idea was the creation of generic workers – they would replace the specialised front-line clerical staff, such as typists.

Service profiling and setting up cost centres

Service profiling and setting up cost centres address one of Bartlett and Le Grand’s (1993) five conditions for quasi-market success – keeping transaction costs and uncertainty to a minimum. They do this by identifying costs. Four initiatives were used: activity based costing (which includes service profiling), setting up cost centres (both undertaken in 1993-4), developing service level agreements and clarifying support service costs (both undertaken in 1994). The setting up of cost centres

requires service level agreements to be developed between the centres, which, in turn, requires support service costs to be clarified.

Activity based costing is a three stage method: the service is profiled which involves each function being broken down into its constituent activities, each activity is timed and costs are identified by multiplying the frequency of each activity by its unit cost. By October 1994 service profiling was “largely complete” (CCT [staff] Bulletin 4, October 1994), but in 1995 it was recognised that the time element was underdeveloped because the Contractor Working Group was examining time and function recording. The recording was still not complete in September 1995 “because of information being inaccurately recorded or not being input” (ibid, 7, September 1995) or May 1996 because the information was “still being analysed” (ibid, 9, May 1996). The delay meant that the aim of identifying costs was changed “to help[ing] the Contractor determine staffing levels” (ibid).

Cost centres were being set up with advice from a District Auditor who was looking “at the overall costs of providing the service” and “apportioning the costs specifically for the North Area.” (ibid, 2, May 1994). He also “identified where it has not been possible to break costs down” (ibid, 4, October 1994). Service level agreements were being developed, in particular, with the Director of Land and Property, who was outlining “the range of activities they currently provide as a starting point for establishing agreements.” (ibid, 2, May 1994). Support service costs were being clarified with the Director and the Department of Finance. A meeting was arranged, for example, “to resolve how rent collection is tendered and also to discuss detailed costing of the service.” (ibid, 7, September 1995).

Identifying the contract areas

Identifying the contract areas addresses another of Bartlett and Le Grand's (1993) five conditions for quasi-market success – minimising cream-skimming. It does this by not discriminating between service users in favour of those who are least expensive. By March 1995 “we made the first decision which was what were the contract areas” (Director). On 13 March the Policy and Resources (Competition) Sub Committee decided that the existing five management areas would each become subject to competition (CCT [staff] Bulletin 6, April 1995).

The Competition Committee was established during a seminar on 21 July 1994 and consisted “of the Chairman of the Land and Property, Technical Services, Finance, Policy and Resources, Housing, Personnel and Environment and Leisure Committees together with 5 Labour members and 1 Liberal Democrat Member.” Its role was to “make many of the decisions in relation to CCT.” (ibid, 3, August 1994). Its first decision was to prioritise “Legal and Professional Construction and Property Services CCT, both of which have to be tendered for before Housing Management CCT.” (ibid, 4, October 1994).

Having identified the contract areas the contract specifications were written, but only after a critical drama. In September 1995 the Management Assistant Director (-1995) resigned: “at the time she was panicking because she thought we were late by comparison to other local authorities and were not going to get the documentation out and we would not get the bid in.” (Director). Up to the resignation, the Director monitored CCT guidance through the Directors' Working Party, which watched “the legalisation and ... things like that.” (ibid). The Directors' Working Party “meets

each month under the Chairmanship of the Chief Executive to ensure consistency of approach across the Council as a whole.” (CCT [staff] Bulletin 2, May 1994).

After the resignation, the Director began preparing the specifications by buying relevant literature. He bought nine reports published by the DoE but written by consultants after working in pilot local authorities. He also bought “a review of housing management specifications and that told you which ones were good and why [Association of District Councils and Institute of Housing’s guidance manual]” (ibid). In addition, he bought the “specifications produced by other Authorities in Greater Manchester who have already started the tendering process because they have to have their contracts in place by April 1996.” (ibid, 7, September 1995).

The Director was promised “some assistance” from an Assistant Director in Architectural Services but did not get it and was “left high and dry” by the Chief Executive (Management Services Project Leader). By May 1996 the writing was complete and to check the content it was intended to have the specifications reviewed by Alistair MacIntosh – a housing management consultant.

Associated with writing the contract specifications was an increase in the Director’s workload. In February 1996 he made permanent the appointment of a Tenant Participation Officer – she had been on a temporary contract since November 1994. She now had a dual role. Although there were the traditional tasks associated with tenant participation, there were tasks associated with assisting the Director in CCT preparation: “The job wasn’t advertised, she was seconded and the Director of Personnel was quite happy that I could pick who I wanted to work with.” (Director). Indeed, the Director worked in the Tenant Participation Officer’s office: “So I could

do CCT I went and shared that room with her ... so that people could say I was in a meeting.” (ibid).

This dual role created a tension with other staff – they were “bitter” (Tenant Participation Officer). This was despite the Tenant Participation Officer and the Director visiting “each Area Office to explain her role in more detail.” (CCT [staff] Bulletin 5, January 1995). The tension was not helped by her tenant participation role. Together with the Director she reviewed “all the letters that were sent out” to tenants, so that they were standardised and “easy to read”, and then monitored the Area Offices (Tenant Participation Officer).

Staff training and reviewing policies and procedures

Staff training followed a review of policies and procedures. The review of policies and procedures had general and service aims – the general aims codified current practice, whilst the service aims improved service delivery. The general aims were to “confirm the practices that we have adopted for sometime ... to bring them together and gain Members’ agreement to them ... to change it where we feel the need to.” (CCT [staff] Bulletin, 7, September 1995).

The service aims tackled specific functions. In repairs, the aims were “to try to identify improvements in both the voids computerised system and the current arrears system that is largely manual.” (ibid, 9, May 1996).

By May 1996 “Most of the policies have now been approved by the Housing Committee and the procedures have been written, or are in the process of being written.” (ibid). The review became a continuing process: “The review of the

policies and procedures is not now a closed book but is something that is ongoing.” (ibid). The mechanism for establishing the continuing process was training staff in the new policies and procedures, which encouraged the suggestion of “improvements” to the Management Assistant Director (1995-7).

At the local housing authority level there was another type of staff training: “CCT requires new and different knowledge and skills” (ibid, 5, January 1995). The Contractor Working Group “identified some of the those areas which staff will require training in” and financial planning was specifically mentioned (ibid). By staff the Contractor Working Group meant managers and sent Area Housing Managers on relevant training courses: “Where appropriate individual officers also attend external courses and disseminate information to their colleagues.” (ibid).

Staff consultation and the changing patterns of public service work

Although Figure 6.2 might portray staff consultation as a high priority initiative, the actual experience was mixed. There were two forms of consultation: the CCT (staff) Bulletin and the Quality Working Group. The CCT (staff) Bulletin was published between 1994 and 1996 and described what was happening. The Quality Working Group was established in 1996 with the aim of suggesting improvements to senior managers and may be an indicator of a developing ethos, that of moving from consultation to participation. Indeed, the CCT (staff) Bulletin 9 (May 1996) finishes with the statement: “You are the people implementing the policies and procedures and providing the service at the front line, and you are our most important asset. We value your views and suggestions.”

It could be argued, however, that consultation was to some extent rhetorical. The CCT (staff) Bulletin only shared the information that the writer(s) wanted to share, eliminated discussion and legitimated CCT implementation. In September 1995, for example, Johnson Fry Housing (now called Pinnacle) was identified as “one of the companies that is bidding all over the country”. It was then described in a way designed to increase staff commitment to CCT: “you may have seen they have just won their first contract under CCT in Westminster.” (ibid, 7, September 1995). In reality, only “SERCo and Quality Street have indicated that they may be interested in viewing the specification” (ibid, 9, May 1996). The Quality Working Group had, as its focus, a narrow conception of quality and staff consultation: “very practical things such as answering the phone in the required time and dealing with correspondence” (ibid).

By describing the changing patterns of public service work or the “insecurity and overload” (Kanter, 1989, 1996 edition, p343) felt by staff it is possible to show that they were rarely listened to. In 1994 staff were already feeling the anxiety of change and asked for the Management Assistant Director (-1995) to “be seconded to concentrate” on CCT preparation and to “have a dummy run for twelve months [at operating with a client-contractor split]”. Both were agreed “but it has not come about”. (Assistant Area Housing Manager [West]). The dummy run did not come about even though on 28 November the DMT “held an all day meeting to plan the work that needs to be completed in the run up to 1997 but particularly to enable us to undertake a dummy run in 1995.” (CCT [staff] Bulletin 5, January 1995).

Although the Management Assistant Director (-1995)’s secondment did not come about, in October 1994 a Contractor Working Group was established and one of its

members was the Assistant Director – the others belonged to the Senior Management Group (ibid, 4, October 1994). It met up to April/May 1996 and held fortnightly meetings, lasting one day. The meetings were “very haphazard, very unorganised ... and it seemed that we went on and on without getting anywhere” (Area Housing Manager [North]). They were also “frank” (Assistant Area Housing Manager [West]). One key issue is remembered: “we had not got policy procedures in place we had to sit and work on those.” (Area Housing Manager [North] and Assistant Area Housing Manager [West]). Information was passed on to other members of staff “As often as I could and with what information I could.” (Area Housing Manager [North]).

By 1995 anxiety was turning into pressure as staff were meeting the competing priorities of CCT preparation and the introduction of the Tenants’ Charter (DoE, 1995), which emphasised meeting performance indicators. The Assistant Area Housing Manager (West) remembers that “it took an enormous amount of effort ... Well a lot of it [work] was done ... in my own time”.

But by 1996 the pressure had intensified in three ways, there was a: lack of senior manager support, lack of staff continuity and shortfall in staff numbers. First, the Management Assistant Director’s (1995-7) secondment left staff in the Area Offices unsupported: “We dealt with things on our own.” (Area Housing Manager [North]). Two key issues are remembered. The Area Housing Managers had to overcome staff feeling “threatened” and “demoralised” (Assistant Area Housing Manager [West]). In August or October the looser managerial-staff relations gave the Area Housing Manager (North) the opportunity to “set up initiatives” to reduce the number of empty

properties in her Area – the Director, though, was still aware of local operations and provided “a little bit of resistance”.

Second, the general use of secondments led to a lack of staff continuity which lowered morale. This practice was triggered by the DMT. The Management Assistant Director (1995-7) seconded the Area Housing Manager and the Director appointed the Tenant Participation Officer. It created a domino effect: “We had all sorts of people in acting up positions ... I’ve got some correspondence that I exchanged with [the Director], obviously with my boss’ signature, where I’m saying to him look this isn’t going to bloody work.” (Management Services Project Leader). In the Altrincham Area Office staff morale became “very low.” (Assistant Area Housing Manager [West]). A further contribution to the continuity problem was staff turn-over, a situation not helped by local councillors. The Management Assistant Director post was renamed Contracts Assistant Director to reflect the introduction of the client/contractor split. The Housing Committee did not “want to make an appointment of that post until we know whether we have won or not [the contracts].” (Director). The delay led to the resignation of the existing Management Assistant Director (1995-7) on 11 April (ibid).

Third and last, there was a shortfall in staff numbers. There are, however, conflicting accounts about the shortfall. The Management Assistant Director (1995-7) calculated a shortfall of 25-30%. Her account is supported by the Area Housing Manager (North), who increased the shortfall to 50% – this figure may relate to her locality. In contrast, the Management Services Project Leader states that staff numbers were full because “there was a lot of temporary staff”. The Assistant Area Housing Manager (West) combines the two accounts: “I had one post that was unfilled for the best part

of six months, I eventually got a temporary member of staff". This raises the associated issue of temporary staff not having the appropriate knowledge to do the job. Tenants in the Altrincham Area, for example, complained about the covering staff having a lack of knowledge.

Tenant consultation and local councillor relations

At the start of this section it was noted that tenant consultation and local councillor relations will be tracked because tenants and local councillors are important stakeholders in the policy process (Malpass and Murie, 1982, 1994 edition).

Tenant consultation and local councillor relations run in parallel to the key inter-related policy initiatives. Like staff consultation, tenant consultation might be portrayed as a high priority initiative, but the actual experience was mixed. It could be argued that Trafford was more inward- than outward-looking – this argument requires extended explanation and so is developed in the next section. There are two forms of consultation: general and local initiatives. There is a myriad of general initiatives and so the local initiatives will be reported first.

In May 1994 some tenants were consulted about which office they wanted to be managed from because they were located on the border between two contract areas and the North Area Office was moving. Some tenants "currently managed from the West Office, would find it more convenient to use the North Office in future." (CCT [staff] Bulletin 2, May 1994). Following the wishes of the tenants, "At the end of January [1995], management of 184 properties will be transferred from the West Area to the North Area" (ibid, 5, January 1995 and 3, August 1994).

Also in May 1994 a policy was formulated which conceived a new role for all tenants and some would be trained for it. The DMT was “working on proposals which ... will assist in developing the necessary structures to involve tenants fully in CCT.” (ibid, 2, May 1994). It “held a session specifically on tenant participation” (ibid) and by August the Tenants’ and Residents’ Federation had been formed “specifically to discuss CCT.” (ibid, 3, August 1994). Although in 1993-4 local councillors decided that they would only comply with the minimum level of tenant participation, Trafford was aware that “the Government have made it known that they expect Councils to involve tenants in other aspects such as contractor selection.” (ibid).

In May 1995 Trafford’s commitment to tenant training was realised when Co-operative Development Services (CDS) was commissioned to train tenants in “committee skills” (Tenant Participation Officer): “as secretaries, treasurers and chairs” (Director). This was a bold move because the corporate policy is for training to be retained in-house and, as a consequence, the Director of Personnel and Management Services was not informed about the decision – he could have refused permission (Management Services Project Leader). CDS was selected because the previous in-house training was “disastrous ... even I didn’t understand” and the previous consultants had proved “a bad experience” and were expensive (Director).

Between December 1995 and June 1996 CDS was replaced by Co-operative Housing Services (CHS) with the new commission “to provide training for tenants so that they would understand the process of CCT, what it was about and so they could participate in evaluating any contractors who actually submitted.” (Team Leader, CHS). CDS “did not do particularly well” (Director) and suffered poor “attendance from the tenant reps [representatives]. CDS although we had a reasonable turn out at the

beginning it lapsed towards the second and third session and certainly with CHS maybe it was because CCT it was quite a large number in regular attendance.” (Tenant Participation Officer).

Tenant training focused on “reps from the tenants associations groups.” (ibid). The tenants associations are not evenly spread through Trafford, but their number has grown from two or three in 1994 to twenty-four in 1996 (ibid). The trained tenants formed the influential HMCCT (Housing Management CCT) Working Group. Its influence is evidenced by the following exchange:

“Researcher: If there was power around for tenants it seemed to be coming through the CCT training group.
Tenant Participation Officer: That is right.” (ibid).

In particular, the HMCCT Working Group identified “the policies and procedures that tenants did not like at the moment and what they would like to see included.” (ibid). It changed “rent arrears letters ... the wording of the letters.” and “Things like the procedure for central heating – tenants were saying to us you are not letting us know [when] the various contractors come in to do the work” (ibid).

During the tenant training Trafford made public statements about its commitment to tenant consultation. The statements can be divided into three categories, those intended for tenants, the DoE and staff. First, the statements intended for tenants promise much: “**Our housing service belongs to you, you are the experts and your opinion matters.**” (current Labour Chair, Annual Report to tenants, 1996, forward). Second, the statements intended for the DoE are more muted: “The Council aims to provide housing management and a day to day repair service of the highest possible quality for all tenants ... The Council has now developed a Tenant Participation strategy” (strategy statement, 1996, pp 5-6). Third and last, the statements intended

for staff are also muted: “Some of the [CCT] preparatory work which has been done will, I hope, be beneficial to Housing staff and tenants in the long term.” (current Labour Chair, CCT [staff] Bulletin 9, May 1996).

As the time for the decision about awarding the contracts approached the relationship with local councillors became strained. In 1996 the Director observed: “it is not my view but the view in Trafford is members keep out of that [CCT] process as much as possible so they are not in a position to have sensitive information”. The Management Assistant Director (1995-7) supported the Trafford view (ibid) and local councillors were only involved in approving the recommended contractor (ibid, conversation). Nevertheless, the current Labour Chair rallied staff: “I am confident that the in-house team will win.” (CCT [staff] Bulletin 9, May 1996).

In this phase the DMT and the Senior Management Group have been following their strategy for CCT implementation. They divided CCT implementation into seven key inter-related policy initiatives. These were: reviewing the client/contractor split, service profiling, setting up cost centres, identifying the contract areas, staff training, reviewing policies and procedures and staff consultation (Figure 6.2, 1993-4). (Strategy statement, 1994.) The large number of policy initiatives confirms that CCT is a complex process (Lewis and Glennerster, 1997 and King and Newbury, 1996).

Pre-contract activities (13 November 1996-March 1997)

In this phase the development of two key inter-related policy initiatives will be tracked: the decision about the client/contractor split (repairs and allocations) and its impact on public service work.

Before tracking the initiatives, in August 1996 two tenders were submitted in the CCT competition – the in-house bids were competing against rival bids by SERCo. On 13 November the in-house bids won because Trafford operated at a low cost: “the only thing that CIPFA [Chartered Institute of Public Finance and Accountancy] showed that I thought was right was that we had fewer senior officers compared to other LAs [Local Authorities]. On that basis and knowing what we paid the rest of the staff below that level I was certainly of the opinion that we were very competitive” (Director).

In November staff “felt quite lifted.” because the in-house bids had won their contracts. In the Altrincham Area the Housing Manager had also prepared them for change: “they knew changes were going to be coming about as part of the CCT and the restructuring” (Assistant Area Housing Manager [West]).

The Director of Personnel and Management Services had waited, however, until the announcement of the contract winners before submitting his restructuring report. This meant that the report could only be considered by local councillors on 17 January – the date of the next Housing Committee meeting (the Management Services Project Leader dated this to 5 February). The delay caused two difficulties. First, although the Area Housing Managers knew the content of the report they could not announce it until the 17th: “That was a difficult concept for the [Management 1995-7] Assistant Director and staff to understand” (Director). Second, staff could not be recruited until the new structure was agreed. It has already been noted that there was a shortfall in staff numbers. The decentralisation of the Maintenance Inspectors and the centralisation of allocations were agreed, but not the allocations one-stop shop.

Managing the contractual relationship (1 April 1997-ongoing)

In this phase the development of one key policy initiative will be tracked – the changing pattern of public service work. Public service work has been tracked in this section because it reveals the impact on staff of the decisions about the other policy initiatives.

The delay in submitting the Director of Personnel and Management Services' restructuring report meant that Trafford was not ready for the start of the CCT contract. The Director describes the situation as “a shambles”, adding later that “if this was SERCo I would have been raising a few questions about their competence”. One Area Housing Manager thought, however, that “everything was going wonderfully well” (Management Services Project Leader), but three pieces of evidence confirm that Trafford was not ready.

First, staff had not been recruited for the new structure: “they didn't have the staff in post on the day the contract started.” (Director). The Area Housing Manager (West) started work on 14 April 1997 (Assistant Area Housing Manager [West]), the Assistant Manager on 2 June (ibid) and another Area Housing Manager started on 27 May (Director).

Second, the staff that were in post had not been relocated. Although the centralisation of allocations was agreed, staff remained in the Area Offices (Assistant Area Housing Manager [West]). The Chief Executive blocked their relocation: “the building in question should not be used for that purpose” (Director). Centralisation has made it unclear who manages the empty properties: “we've a hole of who does that.” (Assistant Area Housing Manager [West]).

Third and last, the staff that were in post and who had been relocated lacked support. The Maintenance Inspectors are an example, one account states “you’ve got Maintenance Officers in areas and somebody forgot to order the computers” (Management Services Project Leader). Another states “the computer back-up was there. What it was was a training need for Assistant Housing Officers to use it” (Assistant Area Housing Manager [West]).

Unreadiness lowered morale to the levels felt in the pre-tender phase, losing the lift which had been achieved in the pre-contract phase. The Area Housing Managers and their Assistants are addressing the problem. In the Altrincham, North and West Areas they are “meeting training needs” (ibid and Area Housing Manager [North]). In the Altrincham and West Areas they are also setting “clear guide lines” for staff about “what they’re now doing” (Assistant Area Housing Manager [West]).

An emerging issue is that Housing “joined with part of Environment and Leisure ... it is going to be called Housing and Environmental Services.” (Director). The Director of Environment and Leisure became the Director of Housing and Environmental Services, whilst the Director of Housing was given “specific projects ... which include tenant participation and setting up monitoring panels and advising on the specification” (ibid). The merger has “not happened because of CCT ... it’s happened because of [the Director of Housing’s] impending departure” – there will be “less interference from the Director” (Management Services Project Leader).

Inner context and process of change (the why and how)

Explaining why CCT is underdeveloped

CCT is underdeveloped in Trafford. CCT is underdeveloped because Trafford only complied with CCT legislation and no contracts were awarded externally. Trafford was exposed to CCT in April 1997 and trading began on 1 April 1997. CCT implementation culminated in the awarding of five contracts to five in-house public sector contractors on 13 November 1996.

Compliance with CCT legislation and awarding no contracts externally does not, however, fully explain why CCT is underdeveloped. In order to fully explain why CCT is underdeveloped, the organisational structures and management systems which Trafford has established and within which it operates will be analysed. The content of change will be summarised and the ideas which follow will be developed after this summary.

Before signalling the ideas to be developed later, the approach used by the researcher to explain why CCT is underdeveloped and how it became so will be discussed. The researcher combines two streams of analysis in a dual approach – he combines a social psychological with a sociological analysis, though the emphasis is on the sociological analysis. Social psychology concerns the individual and how that person achieves “success in persuasion and negotiation” (Wilson, 1992, p13). Sociology extends the analysis by placing the individual in a context, by being concerned with “the context in which changes are conceived, described and evaluated.” (ibid). This approach allows for the possibility of emergent change within planned change (ibid).

In more formal terms, the sociology of organisational change has been described as 'domain theory' (Kouzes and Mico, 1979). In short, organisations consist of domains or sets of stakeholders and each set of stakeholders is characterised by different values which act together as a check and balance system to meet the multiple needs of society (ibid).

Within the public management literature, domain theory can be summarised as examining the relative power of coalitions of interest groups within the policy community (Nutley and Osborne, 1994). This type of analysis examines the sources of power of the interest groups, the role of politics or how one group influences another and the management of conflict between groups (ibid).

Discussion about coalitions of interest groups is associated with various theoretical positions: pluralism, corporatism, elitism, Marxism and structuralism (Ham and Hill, 1984, 1993 edition). Whereas pluralism emphasises that no single group has a monopoly of influence because resources are widely distributed, the other positions identify dominant groups. Corporatism emphasises that the state has become more interventionist, whilst elitism emphasises that the policy process is controlled by a minority of the population. In Marxism there are class elites, whilst in structuralism there are professional elites. (Ibid.)

The dual approach has been used because "the consideration of alternative views ... promotes analysis, learning and the development of knowledge." (Wilson, 1992, p122). In particular, this approach blends "the behavioural with the economic, the historical with future-oriented decision-making, and the political with the social and economic factors of change." (ibid, p123). Such blending is consistent with having

selected the comparative, longitudinal and processual case study method (Pettigrew, 1990 and 1997). Both perspectives capture the complexity of organisational change by assuming that change is processual (it interconnects action and context), historical (it interconnects through past, present and future time) and contextual (it interconnects vertically through different levels of society) (Chapter Four, pp 131-3).

In Trafford, the social psychological analysis emerges by discussing management style, whilst the sociological analysis emerges by examining “power as a relational phenomenon in organizations.” (Wilson, 1992, p130). By examining power as a relational phenomenon it is meant that CCT implementation has been analysed in terms of how the balance of power within the intra-organisation networks has shaped CCT development. At the start of the last section it was noted that whereas Pettigrew, Ferlie and McKee (1992) discuss the importance of co-operative inter-organisation networks in the NHS, within local authority housing intra-organisation networks between local councillors, tenants and staff are an important issue.

The Director adopted a resistant strategy. By the resistant strategy it is meant that Trafford only complied with CCT legislation. The Director adopted the resistant strategy because he was cautious about implementing CCT. He wanted to learn from the experience of other local housing authorities. In 1994 Trafford sought general advice about CCT by buying literature recommending how CCT should be implemented (CCT [staff] Bulletin 3, August 1994). By September 1995 more literature and the contract specifications from some Greater Manchester local housing authorities had been obtained (ibid, 7, September 1995). These “tried and tested” specifications were “used as a basis for developing our own specification, which has

then been specifically adapted to focus on Trafford's own particular needs and policies." (ibid, 9, May 1996).

The Director was able to adopt the resistant strategy because of staff, local councillor and tenant passivity. Passivity was in part generated by the Director's management style – he managed by command and control. The Director is aware of his management style and described it as "the Rottweiler". This exploited his "Position power" (Handy, 1976, 1993 edition, p128) – his managerial position. Such exploitation established hierarchical and centralised decision-making concentrated at the Director level – this is top-down decision-making. Within the public management literature, the Director's management style would associate him with Neo-Taylorism because of his concern with discipline (Pollitt, 1990, 1993 edition). Within the organisational theory literature, the Director's management style would associate him more generically with the Classical school because of his concern with top-down decision-making (Whittington, 1993; Ansoff, 1965, 1987 edition and Porter, 1980).

Passivity was also generated by local councillor and tenant relations. Local councillors ceded responsibility to the Director. Local councillors involved in housing are not committed to CCT, local councillors not involved in housing ranked it a low priority service and the DMT attempted to alienate local councillors from the policy formulation process. Tenants also ceded responsibility to the Director. The process of maintaining unequal staff-tenant relations can be explained by referring to the rhetoric of institutional consultation, the Director's role and the negative stereotyping of tenants.

Even command and control structures and systems can change and there are indicators that this is happening. The mechanism of change appears to be personnel change. By personnel change it is meant that a new member of staff can change or adapt the organisational structures and management systems which an organisation has established and within which it operates.

In Trafford the process of personnel change appears random but four independent events have taken place which may change how Trafford operates. First, there is a reconfiguration of power relations at the local councillor level – in May 1994 Labour succeeded the Conservatives to the Chair of the Housing Committee which in part disabled the Director's proactivity. Second, there is a reconfiguration of power relations at the Director level – his retirement in 1997 created new opportunities for the Area Housing Managers. Third, there is a reconfiguration of power relations at the DMT-staff level – a new ethos may be developing in which there may be movement away from staff consultation to consultation. Fourth and last, there is a potential reconfiguration of power relations at the tenant level – an attempt to make the DMT more responsive to tenant needs.

To summarise, the Trafford case study records a history of CCT implementation in which the Director has emerged out of the intra-organisation networks as the central protagonist. CCT is underdeveloped because of the Director's ethos and his management style: caution and control. How this balance of power developed, namely, staff, local councillor and tenant passivity, will be discussed next.

This history does not associate Trafford with a pluralist analysis because a dominant interest (the Director) seems to have been identified. Instead, Trafford may be

associated with a structuralist analysis because the Director symbolises the power of a professional elite. The Director is a housing professional – a local government officer. Such an analysis needs to be tempered by recognising that there is a debate about whether housing is a profession. Fitzgeorge-Butler and Williams (1995), for example, describe housing as “under-professionalized” because “service provision ... [is] frequently provided by individual housing workers without reference to managers or policy/procedure manuals” (p118).

Explaining how CCT became underdeveloped

The emergence of the resistant strategy will be discussed and then the strategy will be analysed at three levels of change: staff, local councillor and tenant.

Emergence of the resistant strategy

By the resistant strategy it is meant that Trafford only complied with CCT legislation. This is not the full story. The resistant strategy emerged in two phases. In the first phase Trafford flirted with and then reversed the selection of a Voluntary Competitive Tendering (VCT) strategy which would have proactively pre-empted CCT. In the second phase Trafford resisted CCT by only complying with legislation.

Trafford’s 1994 strategy statement reveals that in the first phase Trafford flirted with and then reversed the selection of a VCT strategy which would have proactively pre-empted CCT. VCT was a strategy selected by other local housing authorities, for example, Westminster (strategy statement, 1994 and Annual Report, 1994). In April 1994 Trafford signalled that it too would select the VCT strategy: “Priority has been given to provide Temporary Supported Housing for young men and women in 1995/96. This scheme will be decided by competition process involving specific

[Housing] associations.” (strategy statement, 1994, Appendix 5). This is the only reference to VCT, indicating that the strategy was short-lived. This was probably due to the change in political context – in May 1994 Labour succeeded the Conservatives to the Chair of the Housing Committee.

Trafford’s 1994 strategy statement also reveals that in the second phase Trafford resisted CCT by only complying with legislation. Like the first phase, there was an initial short-lived burst of activity, but unlike that activity this was unconvincing. The initial burst of activity identified seven CCT preparations: identifying the contract areas through tenant consultation, determining the client/contractor split, developing cost centres, reviewing policies and procedures, service profiling, examining computer needs and staff consultation (ibid, pp 50-1).

These activities are unconvincing because they are only a list of preparations, not a strategic vision – there is no quality and coherence of policy (Pettigrew, Ferlie and McKee, 1992). Leach (1996) clearly identifies the components of a strategic vision for the local government context: “other authorities have developed strategic agendas which are both genuinely corporate in nature (i.e. are more than a collection of departmental priorities) and provide a genuine sense of direction and guide to action. A strategic issue is best seen as a combination of an existing problem, a desired end-state, and a set of threats and opportunities.” (p2). Trafford’s list of preparations does not match Leach’s criteria. The list is also relegated to pages fifty and fifty-one of a sixty-two page document and whilst other sections specifically use the word strategy, this does not. Compliance with legislation was also probably due to the change in political context.

There are three factors which explain the adoption of the resistant strategy: the change in political context, the Director and lack of experience. The first factor has been discussed and the second and third will be discussed. The key element of the second factor has also been discussed. The Director adopted the resistant strategy because he was cautious about implementing CCT. He wanted to learn from the experience of other local housing authorities by buying literature recommending how CCT should be implemented (CCT [staff] Bulletin 3, August 1994) and by obtaining the contract specifications from some Greater Manchester local housing authorities (ibid, 7, September 1995).

The former Conservative Chairman linked the Director's caution about implementing CCT to his politics: "I think it was the director, the director is red hot Labour. He didn't like me, he didn't like my politics". There is probably some truth in this explanation because the Director is committed to social housing: "I'm not the obstacle. My mother was a council tenant and I was born in a council house – I'm very tenant orientated."

The Management Services Project Leader linked the resistant strategy to lack of experience: "I think one of the problems with housing CCT is it was at the start of the white collar CCT and whilst local authorities have a lot of experience in dealing with CCT through the manual workers, housing was there on its own, nobody really had a lot of experience of what it was all about. We've got the times, timetable to do things, but I don't think anybody really understood it, really appreciated how much work there was to do." This explanation is less convincing because the CCT process for manual workers and professionals is similar, both involve the development of the key inter-related policy initiatives tracked in Figure 6.2 (p210).

Staff passivity

The Director was able to adopt the resistant strategy because of staff, local councillor and tenant passivity. Two elements contributing to staff passivity have been highlighted. First, passivity was generated by the Director's management style – he managed by command and control. Second, passivity was also generated by staff ceding responsibility to their senior managers (the DMT and the Area Housing Managers). The Director's management style, staff ceding responsibility to their senior managers and the apparent anomaly of sustained staff consultation (1993-4 – 1996) will be discussed.

Director's management style

The Director is aware of his management style and described it as: “the Rottweiler being kept at bay by [the Management Assistant Director (1995-7)] from other staff. I will go down and sort them out.” He justified it in three ways: “[First] if things are going wrong I tend to get involved myself to get them sorted out on the basis that I get it in the neck if it does not get sorted out ... [Second] I have also retained an interest in certain things and [third] because of the staffing structure of the department I have to be a hands on director otherwise the work would not get done ... Well there is not enough bodies at senior level”.

The first point suggests that the Director may be a product of a Trafford management style, although he only in part agrees: “it is probably more hands off than hands on. The ones who tend to be more hands on are the ones who are at the sharpest end. The Director of Social Services because of the size of the department and the number of problems she tends to get”. His assessment is contradicted by evidence from the

contract phase. The Chief Executive also employs management by command and control which impacted on Housing's restructuring – he blocked, for example, the relocation of allocations staff (Director).

Nevertheless, the Director's management style exploited his managerial position, which established top-down decision-making (Pollitt, 1990, 1993 edition; Whittington, 1993; Ansoff, 1965, 1987 edition and Porter, 1980). Figure 6.2 (p210) graphically reveals that the history of CCT implementation is managed by top-down rather than bottom-up change. The Director, for example, used the review of the client/contractor split to achieve his private agenda of restructuring allocations and repairs.

The Director, though, was still aware of local operations and resisted local initiatives. In August or October 1996 looser managerial-staff relations, the Management Assistant Director's (1995-7) secondment, gave the Area Housing Manager (North) the opportunity to set up initiatives to reduce the number of empty properties in her Area. The Director resisted her initiatives. (Area Housing Manager [North].)

Staff ceding responsibility to their senior managers

As a consequence of the Director's management style, the rest of the staff were generally excluded from the decision-making process and dealt with the impact of decisions. By 1995, for example, anxiety was turning into pressure as staff were meeting the competing priorities of CCT preparation and the introduction of the Tenants' Charter (DoE, 1995), which emphasised meeting performance indicators (Assistant Area Housing Manager [West]).

Exclusion from the decision-making process was compounded by staff ceding responsibility to their senior managers (the DMT and the Area Housing Managers). In 1994, for instance, staff asked for the Management Assistant Director (-1995) to be seconded to concentrate on CCT preparation. Although the Assistant Director's secondment did not come about, in October a Contractor Working Group was established and one of its members was the Assistant Director (CCT [staff] Bulletin, 4, October 1994).

Apparent anomaly of sustained staff consultation (1993-4 – 1996)

Given the Director's management style and staff ceding responsibility to their senior managers, it is necessary to explain the anomaly of sustained staff consultation (1993-4 – 1996). It is also necessary to explain why staff initiative was closed down in 1996 but not in 1997.

Kanter (1989, 1996 edition) provides an insight into the anomaly of sustained staff consultation: "For people, the new business forms are accompanied by insecurity and overload at the same time that they generate more exciting and involving workplaces and give more people chances to operate like entrepreneurs even from within the corporate fold." (p343). During change there are people issues, like staff insecurity and overload, to be overcome and consultation assists in this process. Indeed, the selection of the right method can at the same time overcome insecurity and overload and maintain unequal staff relations.

It has been argued that staff consultation was to some extent rhetorical. The CCT (staff) Bulletin only shared the information that the writer(s) wanted to share, eliminated discussion and legitimated CCT implementation. In September 1995 and

May 1996, for example, the threat of competition was invoked to increase staff commitment to CCT (CCT [staff] Bulletin 7, September 1995 and 9, May 1996). This tactic was used to reinforce the leading role of the senior managers who were intending “to learn from our colleagues about the strategies employed by our competitors and be able to plan accordingly.” (ibid, 7, September 1995). It could also have been used to offset growing discontent – in 1996 staff were openly talking about low morale (Figure 6.2, p210). In reality, only SERCo put in rival bids.

The Quality Working Group had as its focus a narrow conception of quality and staff consultation, for example, prompt telephone answering and dealing with correspondence. This tactic was also used to reinforce the leading role of the senior managers who make decisions about substantive initiatives, whilst the rest of the staff were generally excluded from the decision-making process, dealing with the impact of decisions.

There is, however, an indicator of change. There is a reconfiguration of power relations at the DMT-staff level – a new ethos may be developing in which there may be movement away from staff consultation to consultation. Ideas for organisational improvements can now be suggested to the Contracts Assistant Director. (Management Assistant Director [1995-7]).

The anomaly of why staff initiative was closed down in 1996 but not in 1997 can be explained by a reconfiguration of power relations at the Director level – his retirement in 1997 created new opportunities for the Area Housing Managers. In August or October 1996 the Director closed down the Area Housing Manager (North)’s initiatives to reduce the number of empty properties in her Area because he was not

due to retire and was aware of local operations. But in 1997 he did not close down the Area Housing Managers and their Assistants' initiatives to increase morale because he was due to retire that Summer and was only involved in specific projects.

The creation of new opportunities does not mean that they will be taken – it requires staff to seize those opportunities. The initiatives to increase morale reveal an inconsistent depth of change which is explained by linking performance to the personality of an Area Housing Manager. The East and North Area Offices are considered to be “performing satisfactorily” (Management Services Project Leader). In particular, the North Area Office is considered to be advanced because of the Area Housing Manager's “personal enthusiasm” and the current Labour Chair represents a ward there (ibid).

The Altrincham and West Area Offices are considered to be behind, again because of the Area Housing Manager's personality: “I know that the West won't be as far advanced [as the North] ... because of the personality of the [former] Area Manager” (ibid). The situation in the West Area Office has not improved because the new Area Housing Manager started work after the contract began and managed it “on her own, and she's been unable really to have the support that she's needed” (Assistant Area Housing Manager [West]). The former Acting Area Housing Manager (Altrincham) explained that her priority there was “basic training in the admin. side” and “we also sort of spent the first week reorganising furniture as part of the new structure” (ibid).

In short, Kanter (1983, 1985 edition) would describe Trafford as a segmented and not an integrated organisation. This promotes staff passivity. Two independent events have taken place which may bring about change, the second is a personnel change.

There are reconfigurations of power relations at the DMT-staff level and Director levels.

Local councillor passivity

If the Director adopted the resistant strategy then local councillors needed to drive through CCT implementation. Local councillor passivity, however, ceded responsibility to the Director. Local councillors involved in housing are not committed to CCT, local councillors not involved in housing ranked it a low priority service and the DMT attempted to alienate local councillors from the policy formulation process.

Local councillor lack of commitment was revealed at the start of CCT implementation. In 1993-4, when CCT first emerged as a strategic issue, local councillors involved in housing decided that they would only comply with the legislation. Conservative and Labour local councillors, however, held different views about CCT

The Conservatives were open to the idea of there being external contractors but did not pursue it: "if we win we win, if somebody else can do it cheaper than us then we are quite happy" (Director). They followed a privatisation agenda which promoted home ownership and transferred the management of local authority housing to other agents (Flynn, 1997). The former Conservative Chairman states: "When I was chairman, my role at the time of trying to carry out the policy of trying to sell off houses and trying to push this business of stock going over to housing associations ... and what should have been left ... we would have needed for special needs and social

services". Indeed, at the end of her interview, the researcher was given the current "SCHEDULE OF SALE OF COUNCIL DWELLINGS" (1997).

Although Labour wanted to win, they followed the Director's lead and adopted the resistant strategy: "Because he [Director] did not want it, CCT, and so it was never done as a full and complete process." (current Labour Chair).

Lack of commitment was compounded by local councillors not involved in housing ranking it a low priority service. The Management Services Project Leader identifies that "The flagship had two strands, there's Education ... and the other strand was very low costs". The current Labour Chair locates the origin of this thinking to when the Conservatives were the majority party: "When Conservatives send out political leaflets coming up to election because they always go on about two things, the level of the council tax and the grant schools."

The former Conservative Chairman confirms the priority given to education: "Housing is a no-no in this area really. This a very rich area. Grammar schools are very important. We are blessed with two excellent grammar schools here [Altrincham] ... Similarly in Sale, they had two very good grammar schools there with excellent results." A documentary source confirms the priority given to low costs: **"Trafford continues to provide high quality services at low cost, which is to the benefit of both the recipients of the services and the Council Tax payers. Council Tax levels continue to be the lowest in the Greater Manchester area."** (Citizen's Charter Performance Indicators 1995-6, 1996, pIV).

Lack of commitment was exacerbated by the DMT attempting to alienate local councillors from the policy formulation process. Up to May 1995 the balance of power was held by the DMT, but from then there has been a struggle and relations have become more equal. Up to May 1995 relations seemed to have a public and private face. The public face displayed authority and local councillors were policy decision-takers (Malpass and Murie, 1982, 1994 edition). In January 1995 the Housing Committee approved service standards for estate management and rehousing (CCT [staff] Bulletin, 5, January 1995) and on 31 August it approved policies for empty property inspections, repairs and the termination of tenancies (ibid, 7, September 1995). In contrast, the private face was passive and local councillors were outside the decision-making process. In 1996 the Trafford view was to keep local councillors out of the CCT process (Director).

This marginal role may be explained by the relationship between the former Conservative Chairman and housing staff in general and between the Chairman and the Director in particular. Although the Chairman “did rather heavily depend on the Director.”, there was a distance between her and staff. It was founded on lack of trust: “Officers will only feed you what they feel you want to know from their point of view or what you ought to know from their point of view.” It contributed to the Chairman’s lack of knowledge about key policy initiatives. The Chairman was pointed about her relationship with the Director: “He didn’t like me, he did not like my policies ... [he] is a loner”. It should be noted that the Chairman “got on well with the Assistant Director he is alright ... and one or two more.”

From May 1995 the balance of power has changed and relations between the DMT and local councillors have become more equal. This can be explained by a

reconfiguration of power relations at the local councillor level – in May 1994 Labour succeeded the Conservatives to the Chair of the Housing Committee which in part disabled the Director's proactivity. May 1995 is symbolised as the critical date because it was then that the Director began to consult more over tenant participation but not the CCT process. In terms of CCT, the Housing Committee displayed its authority by not appointing the Contracts Assistant Director until the in-house tenders had won their contracts, but at the same time in 1996 the Trafford view was to keep local councillors out of the CCT process (Director).

The equalised balance of power may also be explained by the new relationship between the current Labour Chair and housing staff in general. The Chair does not depend on the Director – she is knowledgeable about housing because she is “a professional housing person, at the moment I do contract teaching in housing studies for Salford University.” The Chair is also not distant from staff: “I am probably a very hands on Chair ... I had to do a lot of thinking about the difference in being a politician and being a manager of an executive and to draw back even when I thought the decisions that had been taken had been wrong and to realise that I have to push the policies”.

In short, local councillor passivity ceded responsibility to the Director. One independent event has taken place which may bring about change – it is a personnel change. There is a reconfiguration of power relations at the local councillor level.

Tenant passivity

If the Director adopted the resistant strategy and local councillors did not drive through CCT implementation, then this role was left to tenants. Tenant passivity,

however, ceded responsibility to the Director. In the last section it was noted that tenant consultation might be portrayed as a high priority initiative, but the actual experience was mixed. It could be argued that Trafford was more inward- than outward-looking – this argument is developed here.

Although in May 1994 a policy was formulated which conceived a new role for all tenants and some would be trained for it, the effectiveness of the new consultation structures of the Tenants' and Residents' Federation and HMCCT Working Group were undermined. The process of maintaining unequal staff-tenant relations can be explained by referring to the rhetoric of institutional consultation, the Director's role and the negative stereotyping of tenants.

The rhetoric of institutional consultation is revealed by the mismatch between the public statements about Trafford's commitment to consultation (detailed in the last section) and the lack of depth to consultation. There are five examples: the breadth of consultation, inspecting the contract specifications, consulting over the service standards specified in the specifications, evaluating tenders and contract selection and monitoring contractor performance.

First, Trafford consulted all tenants only once during CCT implementation. In September 1996 it mailed out the CCT Extra (newsletter) – "There has not been another one since. So that is really the only consultation we have done borough wide." (Tenant Participation Officer). The mailing out of CCT Extra is important because "We don't have a tenant's newsletter." (ibid). Second, on 21 June 1996 the contract specifications had to be available for inspection – this was done, but "it was not advertised. So nobody came" (Area Housing Manager [North]).

Third, Trafford recognised that there was a “LEGAL DUTY TO ... Consult on Standards of Service. Review tenants/leaseholders comments. Then finalise the terms of the spec[ification].” (Tenant Involvement in HMCCT, 1996). As a consequence, CHS consulted on service standards in the contract specifications. Tenants wanted a repairs appointment system: “in [the] specification it might have had all repairs will be carried out via an appointment and people actually wanted the wording to be accurate. They wanted a definite am/pm appointment.” (Tenant Participation Officer). The specifications were not, however, initially revised, because “[the] repairs maintenance contract is CCT. They would be saying we can’t guarantee that especially when it is going to be external contractors doing the work.” (ibid). In the end, the current Labour Chair demanded an appointment system: “I experienced a lot of resistance to that, in the end I had to say I want to do it.”

Fourth, Trafford recognised a second “LEGAL DUTY TO ... Consult tenants/leaseholders on who the successful contractor is. Consider any response to this. Finalise Appointment (Tenant Involvement in HMCCT, 1996). As a consequence, CHS, with the agreement of the Director, trained two members of the HMCCT Working Group to evaluate tenders – this raised the expectation of playing a role in contract selection. This did not happen: “Certainly contract selection – they were not involved in and I think we were quite careful about what notifying them of other contractors who had actually put in a bid or who had expressed an interest were very wary still at that stage.” (Tenant Participation Officer).

Fifth and last, Trafford recognised a third “LEGAL DUTY TO ... Allow tenants to express their views [on contractor] performance. Consider and appropriate action.”

(Tenant Involvement in HMCCT, 1996). As a consequence, Monitoring Panels are being set up, but there have been two delays. First, “some of the monitoring panels haven’t got all their representatives on them because there’s not enough tenants’ groups to represent them.” (Director). Second, there may be a lack of will – the Director remarked that if the Contracts Assistant Director “had been in charge [in the pre-tender phase] we would not have the monitoring panel.” Indeed, under the Contracts Assistant Director the Monitoring Panels have become Advisory Groups, which led the Chair of the Tenants’ and Residents’ Federation to wryly comment: “This new guy is using words and softening it. This Advisory again for me is something that takes the sting out ... to make it not contentious.”

The rhetoric of institutional tenant consultation was compounded by the Director’s role. His management style, top-down decision-making, extended to tenant consultation: he wrote CCT Extra (Tenant Participation Officer) and Chaired the Tenants’ Forum (Chair of the Tenants’ and Residents’ Federation). By Chairing the Tenants’ Forum the Director could manage its agenda.

The rhetoric of institutional tenant consultation is exacerbated by the negative stereotyping of tenants. There is the mismatch between the public statements about Trafford’s commitment to consultation and the reality of unofficial conversation (Ohmae, 1990-1). The Tenant Participation Officer, because of her role, should be sensitised to how specific vocabularies of knowledge circulate in institutions to produce and govern individual subjects (Foucault, 1971, 1977 and 1978 and Fairclough, 1989a and b, 1995 edition). Yet, she explains the Tenants’ and Residents’ Federation’s lack of success in attracting members in terms of a negative stereotype: “I think at the time it had perhaps one or two bolshy characters who were elected as

chairs and have been since dominated down – that has thrown a bad light on the federation.” Some tenants may be bolshy, but the label is inappropriate because it reveals underlying staff values which dismiss legitimate tenant behaviour and power sharing.

To redefine the problem (Grint, 1997), tenants have good reasons for their behaviour. They do not trust staff who have consistently behaved badly. The Chair of the Tenants’ and Residents’ Federation described behaviour in 1985 as “Abysmal. Because they treated us like second class people. We had one girl who was telling people she would not live on this estate if they paid her.” He does not believe that behaviour has changed much: “I get people coming and telling me stories and I have to believe them because I hear so many stories and I still think the staff attitude is poor towards the tenants. I think it is still very much them and us attitude.” For him, this means that “They need embarrassing whoever they are from time to time.”

There is, however, an indicator of change. By an indicator of change it is meant that there is a potential reconfiguration of power relations at the tenant level – an attempt to make the strategic apex more responsive to tenant needs. The Team Leader from CHS has a “subversive training” agenda which is designed to empower tenants. She believes that tenants “could take those panels [Advisory Groups] by the scruff of the neck as long as they understand what the rules are because once they step outside the rules then they will be marginalised.” She gave the example of the standing order, a rule where an issue is discussed and voted on before becoming policy. In particular, tenants may want a discussion before going to a vote, but this may postpone a decision that can be won: “So sometimes your response is hang on a minute this is not

fair but if you played a non game or see what the situation is and think well there is five of us and three of them lets go to a vote.”

In short, tenant passivity ceded responsibility to the Director. One independent event has taken place which may bring about change – there is a reconfiguration of power relations at the tenant level.

Concluding remarks

This chapter has at the micro level empirically confirmed the results of the two mapping studies by describing and analysing the case study work in Trafford – it is the Conservative low change non-receptive context for the NPM. In doing so, the chapter has explained variation in NPM diffusion in greater detail and improved understanding about quasi-market development.

Developing these issues in turn, Trafford was identified as the Conservative low change non-receptive context for the NPM in both mapping studies. In the first and main mapping study, Trafford became the Conservative low change context because it was the only Conservative authority which ranked NPM type 2 last. In the second and supporting mapping study, Trafford again became the Conservative low change context because it avoided the discourse of NPM type 2 and maintained NPM type 4.

The case study work in Trafford has at the micro (organisation) level empirically confirmed the results of the two mapping studies at the meso (public service) level by revealing that CCT is underdeveloped in Trafford. CCT is underdeveloped because Trafford only complied with CCT legislation and no contracts were awarded

externally. CCT implementation is linked to the NPM because it is one key stream of NPM strategic activity.

CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study. The NPM literature review identified theoretical and empirical reasons for selecting CCT implementation. Theoretically, the review found that the private sector is playing an important role in public service organisation and management and in local government CCT facilitates private sector participation (Wilson and Doig, 1995). Empirically, the review found that council housing management is one of the two oldest welfare privatisations (Flynn, 1997). By selecting council housing management as the focus of this research, it meant that an assessment of CCT should be made (Stewart, 1995).

The first and main mapping study found that NPM type 2 maps NPM variation. Having found this pattern, a NPM type 2 strategic activity was selected for interviewees to comment on. CCT implementation was selected because it is rooted in the broader principles of privatisation embraced by the Conservative government since 1979 (Rao and Young, 1995).

Variation in NPM diffusion has been explained in greater detail than Chapter Five (pp 147-202) and understanding about quasi-market development has been improved by explaining why CCT is underdeveloped and how it became so. The Director adopted the resistant strategy because he was cautious about implementing CCT. He was able to adopt the strategy because of staff, local councillor and tenant passivity.

Even command and control structures and systems can change and the mechanism of change appears to be personnel change. There is a reconfiguration of power relations, for example, at the Director level – his retirement in 1997 created new opportunities for the Area Housing Managers.

Returning to the three contemporary themes of governance, variation and continuity, these themes are evident at the micro and empirical levels. All three themes are captured within one organisation. Marnoch (1997) succinctly describes the process involved:

“Command-control signals are by various means superimposed over a weak set of market dynamics.” (p6).

He describes the process in more detail by relating it to his work in NHS corporate governance:

“the theory of the trust boards operating along market driven principal-agent lines, is inoperable because of the system of funding and control which remains rigidly hierarchical.” (ibid).

This means that:

“The culture of the boardroom behaviour in the NHS trusts remained dominated by assumptions derived from the ‘old-time religion’ of public service bureaucracy ... Corporate governance reforms associated with the internal market have therefore been limited in respect of the process of organizational transformation.” (ibid).

In other words, in Trafford, governance can be delivered in a variety of ways in one organisation because, and to paraphrase Marnoch (ibid), CCT is superimposed over an existing management system. The existing management system is characterised by the Director’s ethos and his management style: caution and control. The system is characterised by the Director because he emerged out of the intra-organisation networks as the central protagonist. In short, despite CCT legislation and Trafford being exposed to CCT in April 1997, CCT is underdeveloped in Trafford.

The case study work in Trafford and Marnoch's (ibid) data empirically support the views expressed by the Third Way scholars, those critiquing NPM type 2 (Chapter Two, pp 25-7). These scholars pragmatically emphasise that public service management is located between hierarchical, central, top-down control and horizontal, fully autonomous actors in the free market (Kickert, 1997). Nevertheless, Trafford may be associated with a structuralist analysis because the Director symbolises the power of a local government professional elite, which has benefited from staff, local councillor and tenant passivity (Ham and Hill, 1984, 1993 edition).

Indeed, although Trafford complied with CCT legislation, CCT served other purposes. It was opportunistically used to drive through other strategic issues (repairs and allocations) because it provided an argument for radical change (Pettigrew, Ferlie and McKee, 1992).

The next chapter (Seven) will demonstrate variation even in two Conservative authorities by describing and analysing the case study work in Westminster – the high change receptive context for the NPM.

CHAPTER 7

WESTMINSTER CASE STUDY – PRIVATISATION IS THE SPUR

“You can build your hospitals and schools with untainted money. There is a difference, don’t you agree, when it comes to profit, between Commerce and Art?”

Beryl Bainbridge: Every Man For Himself

Introduction

The purpose of this chapter is to describe and analyse the case study work in Westminster – the Conservative high change receptive context for the NPM. This case study is a contrast to the previous case study because Westminster is the Conservative high change context, whilst Trafford is the Conservative low change context. As a consequence, this chapter will demonstrate variation in NPM diffusion even in two Conservative authorities.

Westminster was identified as the Conservative high change receptive context for the NPM in both mapping studies. In the first and main mapping study, by interpreting NPM type 2 as the key type because it seems to map variation in NPM diffusion, Westminster became the Conservative high change context for NPM type 2. Although there were two Conservative authorities which ranked NPM type 2 first, Westminster had a higher concentration of this type than South Northamptonshire (34% compared to 31.4%) (Chapter Five, Figure 5.5, p157).

In the second and supporting mapping study, by interpreting the process of transferring and replacing words as important because language change (the use of the five key word indicators) seems to map variation in NPM diffusion, Westminster became the

Conservative high change receptive context for two reasons. First, it was the only authority which strategically exploited all NPM type 2 indicators. Second, it was the only authority which appeared in the bottom two of the people and tenant league tables and did not exploit the word citizen. In short, Westminster promotes the discourse of NPM type 2 and relegates NPM type 4. (Chapter Five, Figures 5.7 and 5.8, p172 and p174.)

The results of the two mapping studies confirm Westminster's high profile media reputation – since the 1970s it has been synonymous with the pursuit of privatisation and gentrification and epitomises the rise and rise of the NPM. In other words, answering Beryl Bainbridge's question, in Westminster most public services have a price. Because Westminster is high profile it is also transparently observable and three inquiries (Designated Sales, asbestos and lessees' service changes) have been simultaneously running. The Designated Sales inquiry was reported in the national press and was dubbed 'Homes for Votes'.

As in the Trafford case study, in order to fulfil the purpose of this chapter, of explaining in greater detail than Chapter Five (pp 147-202) why Westminster is the Conservative high change receptive context for the NPM, the NPM, because of its scope, needs to be focused. The NPM is focused by highlighting one key stream of NPM strategic activity – privatisation through the implementation of CCT. CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study. The selection rationale is discussed in the introduction to the Trafford case study (Chapter, Six, pp 204-5).

CCT is highly developed in Westminster. CCT is highly developed because Westminster, in contrast to Trafford, implemented CCT before it was required to by the DoE and contracts were awarded externally. The Conservative local councillors adopted an accelerated strategy because since the 1970s they have pursued privatisation and gentrification. CCT was the 1990s expression of the privatisation and gentrification agenda. By the accelerated strategy it is meant that Westminster implemented CCT before it was required to by the DoE. The Conservative local councillors were able to adopt the accelerated strategy because they appointed a Director who would accelerate CCT implementation and because the most proactive tenants in Westminster, those living in Churchill Gardens, supported CCT implementation.

Like Trafford, though, both the Conservative local councillors and the new Director managed by command and control. The Director, however, also decentralised decision-making and became known as a maverick by his staff because he broke with the Westminster tradition.

As in the Trafford case study (Chapter Six, p206), the ideas signalled in the last two paragraphs will be developed by using the 'analytical approach' (Pettigrew, 1986) to frame the questions at this level of change:

- what happened? What is the history of CCT implementation?
- why is CCT highly developed?
- how was CCT actively pursued? What were the motors of and barriers to change? Were there critical dramas that reveal wider change processes?

These CCT questions are related to the NPM research themes and critical questions because the CCT questions focus the NPM themes and questions by addressing one key

process of change – CCT policy formulation and implementation and the role of individuals and their networks.

The chapter is divided into two sections. First, it will describe the content of change by telling the history of CCT implementation. Second, it will analyse the inner context and process of change by explaining why CCT is highly developed and how it became so. Both sections will briefly compare and contrast Westminster's results with those of Trafford, though this is mainly done in next Chapter (Eight, pp 323-76).

Content of change (the what)

Before telling the history of CCT implementation, the interviewees will be identified, their relationship in the organisational structure will be described and the key structural change that has taken place during CCT implementation will be highlighted. There were fifteen interviewees:

- the Conservative Vice Chairman of the Housing Committee
- the Labour Leader of the Opposition
- the Director of Housing (in post from August 1995-8)
- the Head of Client Services
- the Residents' Choice Manager
- the Westminster Management Services' (WMS) General Manager
- the WMS Business Development Manager
- the WMS Operations Manager
- one WMS Estate Director (Church Street)
- one WMS Housing Officer (Church Street)
- the Chair of the Church Street Housing Panel
- one Pinnacle (Housing) Estate Director (Churchill Gardens)
- one Pinnacle Repairs Manager (Churchill Gardens)
- one Committee Member of the Churchill Gardens Lessee Association and the Acting Chair (usually Deputy) of the Westminster Housing Panel

Figure 7.1 describes the relationship of the interviewees in the organisational structure and highlights the key change that has taken place during CCT implementation.

Figure 7.1: Organisational structure and the key change that has taken place during CCT implementation

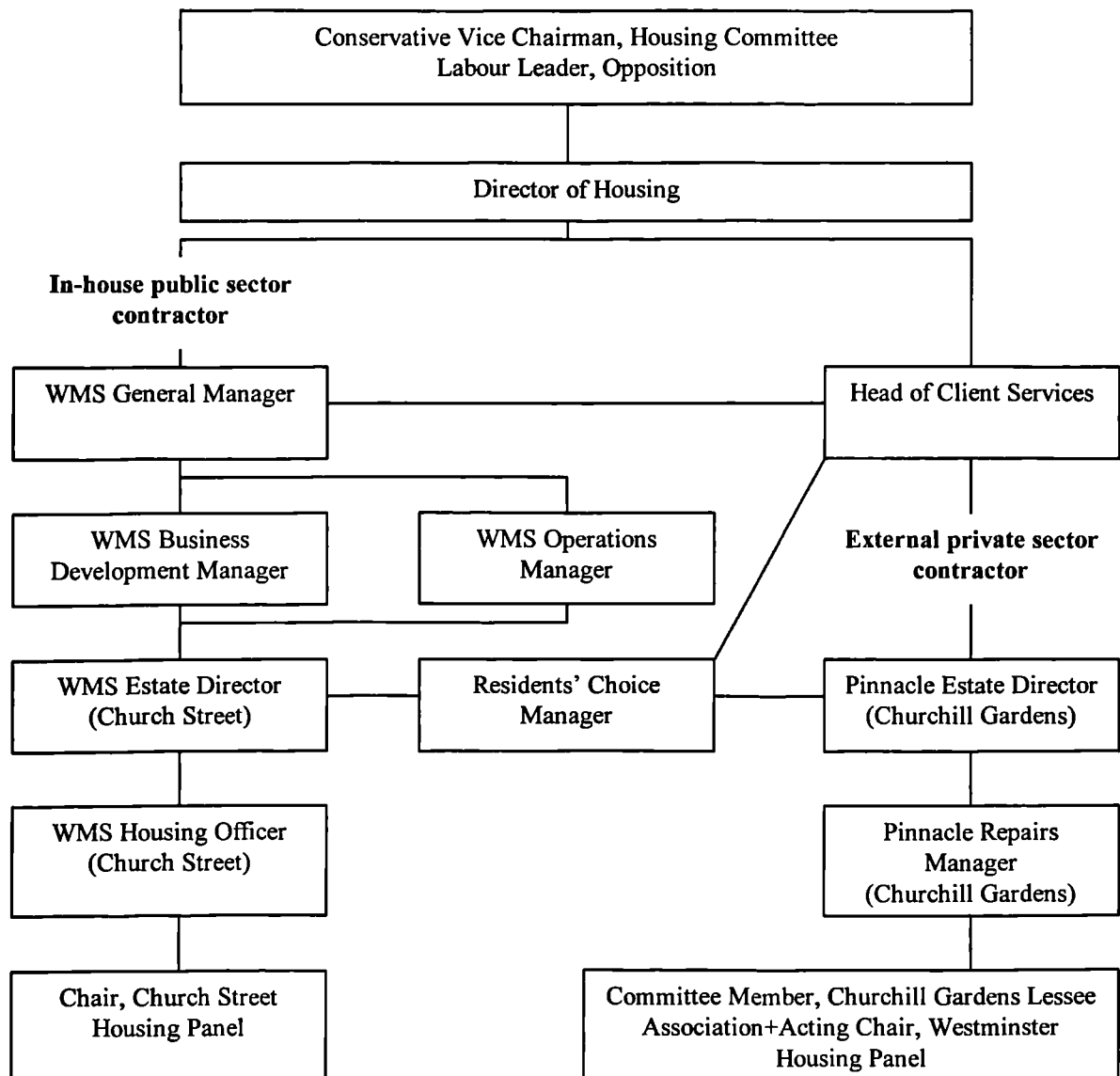


Figure 7.1 describes the relationship of the interviewees in the organisational structure in terms of a hierarchy. The interesting feature is that although Westminster is pursuing privatisation, the traditional hierarchical structure still persists. This is interesting because one of Dunleavy and Hood's (1994) NPM type 2 components, and Westminster is the Conservative high change context for NPM type 2, is the creation of minimum sized agencies (Chapter Two, Figure 2.2, p24). This is also interesting because, as will be

discussed later (pp 284-90), the structure represented in Figure 7.1 is the restructured and downsized version.

Figure 7.1 also highlights the key structural change that has taken place during CCT implementation. In contrast to Trafford, policy separation or the client/contractor split is more highly developed. In Chapter Two (pp 22-4) policy separation is defined as dividing policy formulation and implementation at the politician/senior manager interface to allow for the introduction of private sector finance, provision and regulation. In Westminster, policy separation has already involved an external private sector contractor. Like Trafford, though, instead of policy separation taking place at the politician/senior manager interface, it has taken place at the senior/middle manager interface.

Telling the history of CCT implementation

In contrast to Trafford, the history of CCT implementation or, more precisely, the privatisation and gentrification policy, can be divided into two (instead of three) phases and it stretches back to the 1970s (instead of 1993). The phases are: denationalisation or the shift of service delivery from the public to the private sector (promoting home ownership (1970s-ongoing) and liberalisation or measures to increase competition (1993-ongoing). Liberalisation can be further divided into two sub-phases: piloting CCT (1993-4) and externalisation – the move to a variety of public private partnerships, including accelerating CCT (1995-ongoing). Figure 7.2 relates the two phases to the content of change.

Denationalisation is linked to NPM type 2 because, like CCT, it is one type of policy separation (Wilson and Doig, 1995). Policy separation, in this case, does not divide policy formulation and implementation at the politician/senior manager interface. It is more extreme because it shifts service delivery from the public to the private sector by promoting home ownership (Flynn, 1997).

Figure 7.2: Tracking the development of key inter-related policy initiatives

<i>1970s-Ongoing</i>	<i>1993-4</i>	<i>1995-Ongoing</i>
Denationalisation	Liberalisation	
<i>Promoting Home Ownership</i>	<i>Piloting CCT</i>	<i>Externalisation</i>
Top-Down Change		
Designated Sales policy 1972: Policy begins-10/20 sales per year 1987: Policy accelerates-500sales per year 1989: Auditor sets up inquiry	April 1994: Policy brought back September 1994: Policy re-emerges as the 'Voluntary Sales' policy 1994: Auditor's provisional report-10 guilty+surcharged	1996: Policy not mentioned, but '20/20 Vision' contains key elements 1996: Auditor's final report-6 guilty+surcharged 1999: Appeal Court clears all
Homeless policy Homeless exported out of Westminster If not exported, then ill-treated Other groups ill-treated	September 1994: Policy re-emerges as the 'Voluntary Sales' policy	1996 Barratt Report finds that ill-treatment did take place 1996: Policy modified, '20/20 Vision' contains exportation
Redevelopment policy Yuppie flats Sites include existing council homes+resident resistance	----->	1996: Policy not mentioned, but '20/20 Vision' contains element 1998: Residents can win
Lessees policy 1987: Service charges waived	----->	1996: Policy not mentioned, but '20/20 Vision' contains element
	Supporting corporate activities Environment, Poll Tax, propaganda, role of estate agents+electoral registration	
Central government support Poll Tax+2 specific links		
	Policy change Climate of uncertainty 2 CCT pilot studies	Policy change 1995: New Director appointed 1995: 1 st restructuring (e.g. customer focus) 1997: 2 nd restructuring (e.g. full client/contractor split) Working conditions: staff reduction v. high morale

Figure 7.2 relates the two CCT implementation phases to the content of change by tracking the development of key inter-related policy initiatives. Like Trafford, CCT is a complex process and involves a large number of policy initiatives (Lewis and Glennerster, 1997 and King and Newbury, 1996). These are discussed later.

In contrast to Trafford, by December 1998 CCT implementation culminated in there being three types of contractor (instead of one – the in-house public sector contractor). The contractors are: the in-house public sector contractor (WMS), an external quasi private sector contractor (Paddington Churches Housing Association) and an external private sector contractor (Pinnacle). Paddington Churches is a quasi private sector contractor because the Housing Act 1988 redefined housing associations (now Registered Social Landlords) as private not-for-profit institutions. The Housing Act 1974 had placed them within the public sector. (Walker, 1998.) To emphasise the point – Westminster has lost six out of seventeen contracts: three to Pinnacle, two to Paddington Churches and one to a Tenant Management Organisation (TMO) (WMS Business Development Manager). TMOs are outside the CCT process and will not be discussed.

Like Trafford, although Figure 7.2 might portray CCT implementation as a linear process, the actual experience was more emergent. It was noted that since the 1970s Westminster has been synonymous with the pursuit of privatisation and gentrification. Gentrification and then its emergence will be discussed.

Gentrification more fully describes the processes taking place in Westminster. In 1986 Shirley Porter defined gentrification as “ensuring that the right people live in the right areas.” (quoted in Magill, 1996, Volume 2, p186). Conservative local councillors wanted to change the economic, political and social composition of Westminster. By prioritising home owners over council tenants they are making Westminster more exclusive or wealthy, middle class and possibly Conservative.

Gentrification, however, is also a process associated with Labour authorities. Downer (1999) reports that Newham and other London authorities are engaged in gentrification as part of their regeneration strategies. Deprived authorities like Newham are attempting “to draw in businesses with cash to invest and people with money to spend.” (ibid, p12), but they are careful to stress that “We are not pushing anybody out.” (Head of Regeneration, Newham, quoted in Downer, ibid).

Nevertheless, the privatisation and gentrification policy was different in Westminster’s phases one and two. In phase one there was the unsophisticated and brazen use of political power. John Magill (1996), the Appointed Auditor leading the inquiry into Designated Sales, found:

“both the decision to increase the number of designated sales and the selection of the properties designated for sale were influenced by an irrelevant consideration, namely the electoral advantage of the majority party ... My view is that the Council was engaged in gerrymandering, which I have found is a disgraceful and improper purpose, and not a purpose for which a local authority may act.” (Volume 1, p15).

His report makes this “a national, not a local” history (Phillips, 1995, p27). In phase two there was the more sophisticated and reformed use of due democratic process. This was

due to a climate of uncertainty caused by the simultaneous running of three inquiries, the contemplation of a fourth and policy change at the macro level.

Phase 1: Denationalisation – promoting home ownership (1970s-ongoing)

In this phase CCT was preceded by and still coexists with a related strategic issue – promoting home ownership. It began in 1972 with a policy of designating homes so that when they became empty they were offered for sale rather than for rent, with the intention that all designated homes would become owner occupied. Ten to twenty sales per year were generated from the three hundred homes on designated estates. (Magill, 1996, Volume 1.) In the late 1980s, the main focus of this phase, home ownership was accelerated through Building Stable Communities (BSC) (ibid). BSC is a generic label for a collection of inter-related policies (Designated Sales, the homeless, redevelopment and lessees) and supporting corporate activities (Hencke and Sharrock, 1992). Designated Sales was the key policy.

Designated Sales policy

Purpose, origins and impact

The purpose of the Designated Sales policy was “selling empty council homes” “to win the 1990 Council elections” (Rosenberg, 1998, p18). This is why the policy was dubbed Homes for Votes. The process is called gerrymandering. The word was first used by a former Director, Graham England, in his note of a 1986 meeting with a former Chair of the Housing Committee, Patricia Kirwan (Blackman, 1998). A former Labour Leader, John Smith, criticised the policy in stronger terms than the Appointed Auditor: “The purpose was political cleansing, getting out Labour voters and getting Conservative

voters.” (quoted in Hencke and Bates, 1994, p1). It is worth remembering that there was, perhaps, a legitimate case for the policy:

“social cohesion was being damaged by the departure of middle-income households and by increases in two kinds of unstable population, the homeless and business people who had convenience accommodation in the city, but whose real homes were elsewhere.” (Hill, 1996c, p21).

The origins of the policy was a response to the poor Conservative performance in the 1986 local elections and a recognition of the key role of the housing service:

“In 1986, the Tory majority in Westminster dropped to four and the then leader of the Council, Shirley Porter, told me and the then Director of Housing, that the reason they nearly lost the election was because of the housing service and all the feedback they had got on their doorsteps. Politically, housing has been seen as one of the most influential services ... and they have always put more senior politicians in charge of housing services.” (WMS General Manager).

The policy was founded on the belief that: “it is logical that if somebody is prepared to buy their place then, obviously, they had to look after it and they may be a cut above somebody who couldn’t care less” (Chair of the Church Street Housing Panel). Although there was no guarantee that the new home owners would vote Conservative, there was a likelihood that the majority would: “I’ve always voted Labour as my father did before me. But it influenced us. I was definitely going to vote Conservative ... All my friends voted Labour and are now voting Tory.” (quoted in Pilkington, 1994, p3). The Chair of the Church Street Housing Panel suggests that “they would interview these people in the first place, say no more”. This was disagreed with by the WMS Housing Officer (Church Street): “Nobody would have asked.”

The WMS Housing Officer (Church Street) associates voting Conservative with the development of a ‘feel good factor’: “we’re all sort of working class, you felt you had a better life at that stage. So in the late 80’s and 90’s if you were somebody who went to

work and worked for a living, your standard of living was that much higher.” The strength of her statement lies in the fact that she knows the new home owners: “I know people personally speaking and from school relationships with your own children.”

The policy had another feature: “some vacant properties on Council estates were sold directly to purchasers from the private sector who fell within priority groups agreed by the Council.” (Buxton, 1997, p2). Some homes were sold to people outside Westminster. Linton (1991) puts the figure at fifty-six (p3), whilst Meikle (1997b) halves it at twenty-two (p10).

The impact of the policy was “the largest audit investigation in local government history” (the Appointed Auditor’s final report was published in five volumes) (Hencke, 1996b, p6) and “the biggest surcharge in the history of local government” (£27,023,376) (ibid, 1997, p3). The inquiry is ongoing, has taken eleven years (1989-2000) and was delayed by filibustering. The Appointed Auditor (1996) details seven filibustering activities, the first of which was “the contemporaneous shredding of documents” (Magill, Volume 1, p7).

In the end, on 5 May 1990 the Conservative majority increased from four to thirty, gaining thirteen seats, twelve from Labour (Culf, 1990, p5). The policy and other high profile sleaze scandals, for example, Neil Hamilton, led the Nolan Committee to recommend “jail and fines for abuse of public office, from cabinet to town hall” (Meikle, 1997a, p4). In particular, it recommended a new criminal offence to cover wilful misconduct by local councillors and staff and an updating of the Victorian system of surcharging. It also recommended a new structure for whistle-blowing. Shirley Porter declared that the

proposed changes “vindicate our belief that Westminster councillors and officers were found to be at fault by a deeply flawed and unjust system” – the Appointed Auditor “imposes the penalties, acts as investigator, prosecutor, judge and jury.” (ibid). Indeed, on 30 April 1999 the Appeal Court cleared Shirley Porter (Hencke, 1999a), though this decision is under appeal (ibid, 1999b).

Actors and action

The policy is most associated with Shirley Porter. In 1974 she became a Conservative local councillor (Hill, 1996b), in 1983 the Leader of the Council (ibid) and between 1991-2 Lord Mayor of Westminster (Hencke and Sharrock, 1992). She had a taste for the dramatic gesture. Before 1986 she led a camel over Westminster bridge to the Greater London Council (GLC) headquarters to protest at escalating rate precepts – the camel carried the straw threatening to break its back (Carroll, 1997). The possibility of losing the 1990 local elections brought back this dramatic flair. In a strategy briefing note she wrote: “Imagine socialists running Buckingham Palace. Militants lording it over Parliament and controlling Downing Street. Left-wing extremists interfering in the daily running of businesses. A horrible nightmare.” (quoted in Hill, 1996b, p4).

The policy needed to be implemented and to do this Shirley Porter worked with other local councillors and staff. In Summer 1986 she began planning for the 1990 local elections – new voters had to be registered by October 1989 for the May election (Price, 1994). Two local councillors principally formulated the policy: Shirley Porter and David Weeks, her Deputy and successor (Leader 1991-3) (Magill, 1996, Volume 2).

On 22 June 1986 they met at Shirley Porter's cottage (Travis, 1994). On 24 June they met other "council officials" and "told them that 'the majority party intend to win the next election and that that would be the focus of their attention.' The words 'social engineering – housing' and 'designation for sale unofficial' were referred to." (Hencke, 1994a, p3). On 30 June Shirley Porter convened a working lunch attended by Peter Hartley, later Chair of the Housing Committee (1987-8), Graham England, Director of Housing and later Director of External Relations (1994) and others. They discussed the "economic justification for gerrymandering on housing' and gentrification" (ibid). On 3 September the Chairmen's Group (consisting of the Chairs of the various service committees) met and Shirley Porter sent a memo: "Now we know policies – do them" (ibid).

In early 1987 at a conference at the University Arms Hotel, Cambridge, leading local councillors and staff set up handling committees which concentrated their efforts on eight marginal wards (ibid). On 24 March the wards (Bayswater, Cavendish, Hamilton Terrace, Little Venice, Millbank, St. James, Victoria and West End) were given "*target voter figures*" (Magill, 1996, Volume 2, p258). On 13/14 June leading local councillors instructed Graham England to "*stop rehousing in marginal wards*" (ibid).

The Millbank file, a ward where the Conservatives were not successful, contained a target of four-hundred-and-fifty new voters and identified five estates where vacancies or improvements would allow sales (Hencke, 1994a, p3). In 1990 the Duke of Westminster won a High Court battle to preserve seven blocks of flats on Millbank's Page Street Estate from sale on condition that the council homes should be used as "dwellings for the working class" (The Guardian, 1990, p8). In total, the wards were to attract two-

thousand-two-hundred new voters (Hill, 1996a, p11). Success was monitored against electoral charts to ensure that voting patterns changed and Bill Phillips, Managing Director of the City of Westminster (1987-91), played a lead role (Hencke, 1994a).

On 8 July 1987 home ownership was accelerated and five hundred sales per year were to be generated from nine-thousand-three-hundred-and-sixty homes designated for sale (Magill, 1996, Volume 1, p13). In 1989-90 the target was reduced to one hundred (Hencke and Sharrock, 1992, p3). 71% of the homes in the eight marginal wards were designated for sale compared to 22% in the fifteen other wards (Magill, 1996, Volume 2, p247). By 1993 "Some 1,100 flats have been sold under the initiative" (a former Deputy Leader of the Opposition, Peter Bradley, quoted in Wintour, 1993, p6). This is double Meikle's (1997b) figure of five-hundred-and sixty-two (p10). Shirley Porter's QC, Anthony Scrivener, argued that only three-hundred-and-thirty-nine out of four-thousand-seven-hundred-and-eighty-two sales were in the marginal wards (Simmons, 1995, p7).

There were three effects: "The effect of the policy was to move yet more homeless people into bed and breakfast accommodation, prevent people on Westminster's housing list from getting homes and left empty flats boarded up for months on end" (Hencke and Sharrock, 1992, p3). The homeless policy is discussed below.

Smokescreens – insiders and outsiders

There were insiders who knew about the Designated Sales policy and outsiders who did not. Smokescreens involved not declaring that the policy would focus on the eight marginal wards (Magill, 1996, Volume 2). Graham England described in a confidential

note how his home ownership report was written: “to give a smokescreen for members” (quoted in Hencke, 1994a, p3). The Appointed Auditor found that there was also a “smokescreen” for Westminster lawyers (Magill, 1996, Volume 2, p258). Hencke and Sharrock (1992) refer to “A special document” which “makes it clear not even all officers, including the then Chief Executive ... should be kept informed of the tactics.” (p3). Smokescreens were made possible because a policy unit was established which reported directly to Shirley Porter (ibid). Later Paul Hayler, a senior housing manager, admitted there was a hidden agenda (Hencke, 1994a).

The policy is still, however, tacitly supported by housing staff, even by those who are considered to be anti change and anti competition. The WMS Housing Officer (Church Street), for example, supported the policy because it improved residents’ quality of life: “these are the things that are overlooked in the media because it gave Joe Soap the opportunity to get off the estate and get a nicer place and buy it.”

Residents – sympathisers or victims?

Residents were ambivalent about the policy – they both supported and opposed it. They supported it for three reasons, it: was attuned to popular values, provided a financial incentive and addressed quality of life issues. Together they form the ‘feel good factor’ described by the WMS Housing Officer (Church Street). The policy was attuned to popular values that were circulating at the end of the 1980s because it linked home ownership to being “a cut above” other people (Chair of the Church Street Housing Panel). It provided a financial incentive because there were purchase discounts which were awarded by length of tenure – “I move in 1972 when they were brand new ... so I

got 50% off.” (ibid). Finally, it addressed quality of life issues because “The two prime motivations behind the right to buy are people want to secure their futures by buying their leases and they want to secure the future of their children financially by having something to pass onto them.” (Acting Chair of the Westminster Housing Panel).

Although some home prices have almost tripled (“I bought mine for £27,000.” “I can get £80,000” (Chair of the Church Street Housing Panel), other prices have almost halved. Hill (1996a) reports that one couple bought the lease to their one bedroom flat for £39,000, but it is now valued at £20,000 (p11). This is because: “A year or two after the 1990 election ... Without a word to the private occupants, the council had ‘de-designated’ the block. Most of the renting incomers were priority homeless families – and some are not very neighbourly ... There is rubbish on the stairways and urine in the lifts.” (ibid).

Residents opposed the policy in order to retain public ownership of local authority homes. During the late 1980s the policy was vigorously opposed by some residents. In January 1988, for example, members of the Westminster Housing Forum, an alliance of community organisations, demonstrated at the opening of the Home Ownership Centre. Later that year, in September, the Forum funded a video and exhibition bus which toured Westminster under the slogan “Save Our Homes!” (Rosenberg, 1998, p18).

Revelation

The first senior Conservative local councillor to object to and disclose details of the policy was Patricia Kirwan (Simmons, 1994b). On 21 March 1987 in a meeting at the London Business School she challenged its legality in an exchange with Shirley Porter (Nelson,

1994). That Spring she unsuccessfully challenged Shirley Porter for the Leadership of the Council and later resigned as a local councillor over the policy (Hill, 1994).

In February 1988 a local GP, Richard Stone, noticed that council flats were not being re-let and alerted the Appointed Auditor (Meikle, 1996a) by questioning housing policy (Travis, 1994). That Summer Labour local councillors uncovered the Designated Sales policy. In July 1989 the British Broadcasting Corporation's (BBC) Panorama programme publicised it which led thirteen objectors (residents) to contest its legality. Legality was contested on the grounds that the decision to accelerate home ownership and its associated expenditure was "contrary to law" (Magill, 1996, Volume 1, p3). They were contrary to law for a variety of reasons but the linking reason is that they prevent the homeless being rehoused – a statutory duty (ibid). That year the Appointed Auditor set up an inquiry.

On 13 January 1994 his provisional report found six local councillors (Shirley Porter, Michael Dutt, Peter Hartley, Barry Legg, Judith Warner and David Weeks) and four staff (Graham England, Paul Hayler, Robert Lewis and Bill Phillips) guilty of wilful misconduct and surcharged them £21.25 million (ibid). The surcharge "includes loss of grants and subsidies, the cost of keeping homes empty, sale discounts, and rent loss." (Meikle, 1996b, p25). Within days the policy was suspended, Graham England was forced to leave the Department and became Director of External Relations (Hencke, 1995b) and Michael Dutt committed suicide (Magill, 1996, Volume 1).

On 11 April 1994, however, at a press conference launching the Conservative local election campaign a former Leader of the Council, Miles Young, brought “back a policy akin to designated sales” (quoted in Wintour, 1994, p2). He argued that the original policy “has not been proved illegal. It is a highly popular policy” (ibid).

Between the provisional and final report, there were applications made to the Audit Commission for the Appointed Auditor to be replaced (Magill, 1996, Volume 2). Labour interpreted this as a method “to undermine Mr. Magill” (quoted in Phillips and McSmith, 1995, p2).

In May 1996 the final report reduced the number of those found guilty of wilful misconduct to three local councillors (Shirley Porter, Peter Hartley and David Weeks) and three staff (Graham England, Paul Hayler and Bill Phillips), but increased the surcharged to £31.6 million (Magill, 1996, Volume 1). Labour’s motion calling on the Conservative government to condemn Westminster was defeated by two-hundred-and-eighty-eight votes to two-hundred-and-sixty-seven (Smithers, 1996).

On 19 December 1997 three High Court judges further reduced the number of those found guilty to two local councillors (Shirley Porter and David Weeks) and reduced the surcharge to £27 million (Hencke, 1997). On 30 April 1999 the Appeal Court cleared Shirley Porter and David Weeks (ibid, 1999a). In June 1999 the now former Appointed Auditor decided to appeal to the House of Lords (ibid, 1999b).

Homeless policy

The homeless policy is related to BSC because the lead decision-makers were the same and its purpose was the same – “party advantage” (ibid, 1996a, p9). In other words, rehousing the homeless prevented gentrification because they would live in homes that could be occupied by potential Conservative supporters. On 19 December 1986 Shirley Porter made this point to Margaret Thatcher: “We in Westminster are trying to gentrify the City. We must protect our electoral position which is being seriously eroded by the number of homeless that we have been forced to house” (quoted in McSmith, 1996, p10).

In practice the policy meant that the overall aim was “To house Westminster’s homeless outside Westminster; to prevent other boroughs from using Westminster property.” (Hencke and Sharrock, 1992, p3). Where exportation was not possible, the homeless were moved into safe Labour wards and ill-treated.

The 1996 Barratt Report found that between 1985-90 both Shirley Porter and Barry Legg had “persistently” “showed a lack of proper care” by allocating council homes containing asbestos to one hundred homeless families (quoted in Hencke, 1996a, p9). This was denied in 1995 by the new and current Leader of the Council, Melvyn Caplan (McSmith, 1995). A Waltham and Elgin Community Homes campaign forced Westminster to accept the homes were unfit and the families were moved out (Rosenberg, 1998). Elsewhere, homeless hostels were closed. In March 1988 the former Roman Catholic Archbishop of Westminster, Cardinal Basil Hume, tried to prevent the closure of the Ambrosden Hostel in Victoria Ward (Price, 1994).

Indeed, other vulnerable groups like asylum seekers were ill-treated. In 1998 a local government ombudsman found that between 1988-95 Westminster had taken no effective action over cockroach-infested rooms in a dilapidated hotel. Meanwhile, the hotel owners were paid over £750,000 in housing benefit (Hencke, 1998, p13). Melvyn Caplan stated: “We acted very quickly once we knew about the problems.” (quoted in *ibid*).

Redevelopment policy

The redevelopment policy is related to BSC because the lead decision-makers were the same and its purpose was the same – political advantage. In other words, redevelopment built homes for potential Conservative voters. Shirley Porter, David Weeks, Barry Legg, other local councillors and staff “identified forty-three sites in eight wards where yuppie flats could be built. Private developers were given rapid planning permission, provided the schemes would bring in more Tory votes.” (*ibid*, p3). Private sector developers also benefited from cheap prices. The Ambrosden Hostel, for example, was sold for £630,000 when it was valued at £2.75 million (*ibid*).

There was resident resistance. In 1985 Westminster drew up a redevelopment scheme but the Walerton and Elgin Action Group (WEAG), formed that year, lobbied the Housing Committee for three years. In 1988 the WEAG became Walerton and Elgin Community Homes (WECH) and opportunistically took advantage of the Housing Act 1988, which gave tenants the right to manage their homes. (Rosenberg, 1998.) Local councillors, however, helped other residents set up a rival group which smeared a leading WECH member, Jonathan Rosenberg, by wrongly accusing him of supporting the Irish Republican Army (IRA) (Price, 1994). In April 1998 WECH took over direct management of nine-

hundred-and-twenty-one homes (Rosenberg, 1998). The WECH campaign is a “unique bottom-up model of change” to combat “social exclusion.” (Power, 1998, p5).

Lessees policy

The lessees policy is related to BSC because the lead decision-makers were the same and its purpose was the same – political advantage. In other words, a financial incentive was provided to promote home ownership. On 1 September 1987 Graham England sent a memorandum to Peter Hartley stating: “It may be possible by exploiting loopholes in the present regulations to avoid collecting charges from lessees.” (quoted in Hencke, 1995a, p1). Six-thousand-seven-hundred home owners could have saved £20,000 per home or £30 million in total and the cost was borne by the housing revenue account which meant higher rents for council tenants (ibid).

On 21 November 1994 the former Leader of the Council, Miles Young, wrote to the Guardian claiming that it is “mischievous and false speculation to suggest that this is in any way connected with the current appointed auditor’s investigation into the council’s former designated sales policy, or that there has been a deliberate policy to avoid billing lessees for political gain, or that ‘Tory councillors’ have been involved.” (p21).

Supporting corporate activities

On 11 September 1986 Patricia Kirwan sent a letter to Shirley Porter stating that “*the agreed BSC programme of action as agreed by Chairmen [was] as an all-embracing strategic Council policy*” (quoted in Magill, 1996, Volume 2, p246). In May 1994 the BBC’s Panorama programme identified five supporting corporate activities: environment,

finance, planning, Poll Tax and propaganda. In March 1994 the Guardian identified two others: the role of estate agents and electoral registration. Finance and planning have been discussed. In terms of the environment, Shirley Porter launched a clean up campaign through the use of Zone Improvement Patrols which operated mainly in the marginal wards (Price, 1994).

In terms of the Poll Tax, in March 1990 bills were first issued and Barry Legg wanted the figure below £200. After hiring the lobbyists GJW, Margaret Thatcher's last Conservative government gave Westminster a £10.5 million windfall and one element of it was a £7.3 million grant for flood defence, even though there was only a requirement to spend £700,000. The bills were issued for £195 – the second lowest in the country. (Ibid, p3.) In February 1991 the bills were further reduced to £176 (Cook, 1991, p22) and in March 1992 still further to £36 (ibid, 1992, p3).

In terms of propaganda, PA Cambridge Economic Consultants were commissioned to maximise voter targets in the marginal wards (Magill, 1996, Volume 2). Local councillors and staff also manipulated the media. Staff paid for and produced a newspaper called 'Ratepayer Reporter' in Labour wards. In January 1988 local councillors, including Shirley Porter and Barry Legg, decided to distribute it alongside the local Conservative newsheet 'In Touch'. (McSmith, 1996.)

In terms of estate agents and electoral registration, in March 1994 the Guardian obtained documents suggesting "that estate agents selling designated homes did not inform all those on the council waiting list entitled to know." (Hencke, 1994b, p1). The documents also

raised “questions about whether the council properly informed thousands of people living in Westminster about electoral registration. One document lists some three hundred hostels, student nurses homes and bed and breakfast establishments for the homeless” (ibid).

Central government support

Phillips (1995) asserts that the former Conservative government endorsed BSC. It is clear that it knew about BSC because it helped to lower the Poll Tax bills. There are two specific links. On 13 December 1986 a former Heritage Secretary, Peter Brooke, attended a meeting which discussed the Designated Sales policy. Between 1986-7 a former Northern Ireland Minister, Sir John Wheeler, attended other meetings because part of the policy was to hold his marginal Westminster North seat. In particular, on 21 March 1987 he witnessed Patricia Kirwan’s exchange with Shirley Porter at London Business School. (Nelson, 1994.)

In this phase Westminster has been promoting home ownership. Promoting home ownership began in 1972 and was accelerated in the late 1980s, the main focus of this phase, through BSC (Magill, 1996, Volume 1). BSC is a generic label for a collection of inter-related policies (Designated Sales, the homeless, redevelopment and lessees) and supporting corporate activities (Hencke and Sharrock, 1992). Designated Sales was the key policy.

Promoting home ownership is linked to NPM type 2 because, like CCT, it is one type of policy separation (Wilson and Doig, 1995). Policy separation, in this case, does not divide

policy formulation and implementation at the politician/senior manager interface. It is more extreme because it denationalises local authority housing – it shifts service delivery from the public to the private sector (Flynn, 1997).

Phase 2.1: Liberalisation – piloting CCT (1993-4)

In this phase there was both policy continuity and change and CCT emerged as a strategic issue. In September 1994 the Designated Sales policy re-emerged as the Voluntary Sales policy. A former Chair of the Housing Committee, Melvyn Caplan (to 1995), described the new policy as “similar in terms of the aims and objectives” to the old policy, but stressed that legal advisers considered it lawful (Phillips and McSmith, 1995, p2). The new policy was similar to the old because it was anchored in home ownership, sales targets and exporting the homeless out of Westminster.

Reaction to the new policy was negative, but the negative reaction was ignored by Conservative local councillors. Senior staff in a confidential report warned that selling council homes with more than one bedroom “is not appropriate in current circumstances” (ibid). Nevertheless, by March 1995 sixty-six homes were for sale. When the Housing Initiatives Manager, Janet Prendiville, sent letters to forty-three surrounding local authorities seeking agreements to move families out of Westminster, all refused. Nevertheless, Melvyn Caplan attempted to hold talks with the local authorities that did not refuse outright. (Ibid.)

Despite policy continuity in this phase there was the more sophisticated and reformed use of due democratic process. This was due to a climate of uncertainty caused by the

simultaneous running of three inquiries, the contemplation of a fourth and policy change at the macro level. The “climate of uncertainty ... [was] created amongst politicians, senior management and staff, which in turn led to a loss of strategic direction” (Buxton, 1997, p2). It was caused by the simultaneous running of three inquiries (Designated Sales, asbestos and lessees’ service charges) and the contemplation of a fourth into the “compilation of the electoral register, its press and public relations operation, and its environmental services.” – the supporting corporate activities (Hencke, 1994b, p1). The policy change at the macro (government) level was the extension of CCT to council housing management. This was made possible by the Local Government Act 1992.

Like Trafford in 1993-4 CCT first emerged as a strategic issue, but in contrast to Trafford (where policy was being formulated) Westminster had made a substantial movement towards CCT and progressed to implementation. By January 1994 “Almost half of the council’s spending budget (totalling £365 million) is on contracts, and officials say that savings are running at around £9 million a year. Staffing levels have been cut from a high of nine thousand five hundred in the early 1980s to seven thousand.” (Simmons, 1994a, p3).

CCT was piloted on two estates, Churchill Gardens and Paddington Green: “The in-house team won both housing management contracts, which started on 1st. August [1993].” (Annual Report to tenants, 1994, p4). Because of this success “The remainder of the Estates will follow in a phased programme over the next two years” (ibid). By August 1995 three out of eight housing management contracts had been won by the private sector (Buxton, 1997, p4).

Phase 2.2: Liberalisation – externalisation (1995-ongoing)

Policy continuity – promoting home ownership

In this phase there was again both policy continuity and change and CCT was accelerated. In August 1995 a new Director of Housing was appointed by the “Chief Executive and the political leadership” “to introduce major organisational and cultural change” by reviewing operations (ibid, p2). Nevertheless, there was policy continuity in statement and action. In the 1996 and 1997 HIP strategy statements the Voluntary and Designated Sales policies are not mentioned. Instead the ‘2020 Vision’ contains BSC elements – it is anchored in home ownership, sales targets, exporting residents (note not the homeless) out of Westminster, private sector redevelopment and lessee sales.

The Vision increases home ownership “to 42-47% in the level of home ownership and improved access to home ownership for low income households” (strategy statement, 1997, p16). There are four home ownership schemes and the strategy statement is careful to refer to these as initiatives “introduced by central Government” (ibid, p24). The Homesteading pilot Scheme has a sales target of five houses to be “expanded” after “consideration”, whilst the Assisted Purchase Scheme has a target of sixty-two (ibid). The two other schemes do not have targets. Lessee sales are still important though tempered by “addressing a backlog of outstanding accounts on capital projects since 1987 ... this backlog and billing should be complete by March 1988.” (ibid, p33).

The Vision also pursues exporting residents out of Westminster: “the development of partnership initiatives which will enable Westminster residents to move outside London to

alternative homes” (ibid, p16). In addition, the Vision has the ultimate goal of a strategic role guiding private sector redevelopment: “the replacement of the Housing Department by a small Housing Unit which has a strategic role and exploits development opportunities in partnership with the private sector.” (ibid).

Conservative local councillors influenced the local agenda through either overt or covert action. The Contracts Committee overtly overruled the Paddington Green residents’ decision to reappoint WMS in the second CCT round by appointing Pinnacle. Before retiring from being a local councillor in May 1998 a former Chair of the Housing Committee covertly changed a redevelopment scheme in her ward (Churchill Gardens) through suggestion. The change contained BSC elements – it was anchored in redevelopment, home ownership, financial incentive and exporting a related vulnerable group to the homeless (but not out of Westminster): “Normally, works of that nature would not involve decanting but the Chair felt, quite rightly in my opinion ... she wanted to see a better social mix in that block. It now looks as though money will be found to convert the bedsits into larger flats and to rehouse the 24 [community care] occupants elsewhere in the Borough” (Pinnacle Estate Director [Churchill Gardens]).

Policy change – promoting externalisation

An emerging concept

Despite policy continuity the new Director consolidated the shift to liberalisation by promoting externalisation. Externalisation is an emerging concept which refers to the move to a variety of public private partnerships, including accelerating CCT: “we have had numerous companies approach us about doing a management buy in, trade sales, joint

venture partnership ... It certainly has always seemed to be a possibility that we could do a management buy up or go from the council.” (WMS Business Development Manager). Crudely, it can be reduced to “a blitz of ambition to bring in the private sector” (WMS General Manager). It is the ambition to bring in the private sector which links externalisation to NPM type 2 (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996).

Its origins are vague and may precede the Director’s appointment: “We started talking about it probably, I don’t know, I think three years ago [1994].” (WMS Business Development Manager). By September 1997 it had become corporate policy: “The externalisation policy ... was reviewed at Contract Committee ... and there is a big push to externalise as many services as possible.” (ibid).

For the external audience, the ‘externalisation’ label can be interchanged with two other labels. When the Director presented a paper at an academic conference (Buxton, 1997), he used the ‘NPM’ label. The strategy statements (1996 and 1997) used the ‘CCT’ label. All three labels refer to the same activities: contracting out, contract management, customer orientation, non-functional division of labour and governance by objectives and results (Buxton, 1997, after Naschold, 1996).

Implementation

Externalisation was achieved by organisational restructuring which had a dramatic impact on working conditions. The Director identified one organisational strength, contracting out, and four weaknesses: lack of strategic management, functional division of labour,

pronounced hierarchies and governance by rules. He then enhanced the strength and tackled the weaknesses by implementing two major restructurings and five other changes in three years.

In the end he acknowledges that “the nature of the change imposed ... was less important than the process of change in making a clear separation from the past.” (Buxton, 1997, p12, after Jick, 1993). He was successful in this. When discussing the history of CCT implementation, interviewees in general only remembered the second (liberalisation) phase (1993-ongoing). This phase is a paradox, however, because internally there is “continuous and constant change” in which “we have all had to reapply for our jobs at least once” (WMS Business Development Manager), whilst externally “there should be no surprises [for residents].” (WMS Estate Director [Church Street] and Pinnacle Estate Director [Churchill Gardens]).

Organisational restructuring

Contracting out was enhanced by the second organisational restructuring in January 1997. It separated “all contractor functions from those of the client, thus increasing the focus on the market environment.” and liberated the WMS General Manager “to consider the full externalisation of the trading functions for which he is responsible.” (Buxton, 1997, p6).

The WMS General Manager was liberated in two ways, he can: tender for contracts both within and outside Westminster and procure his own support services such as office accommodation. In procuring support services, he “is able to adjust staffing levels within broad limits and to award bonuses of up to 25% of salaries providing these can be met

from within financial surpluses generated through trading activities.” (ibid). The Director refers to WMS as a ‘quasi’ private sector contractor: “they are subject to the same performance monitoring regime, the same financial penalties, the same bonuses as an external contractor. How they choose to internally operate is not a matter for me.”

In order to establish this innovative role, the Director is redefining the boundaries between public and private sector contractors and concedes that “Technically, they are still employed by the City of Westminster ... This means that, for example, last week I actually signed off [the General Manager’s] performance related pay bonus for last year ... If he can afford to pay that out of his profits, it is up to him.” The WMS General Manager “is monitored by a DSO [Direct Service Organisation – the contractors] Board which consists of elected members” (Buxton, 1997, p6).

The lack of strategic management, functional division of labour, pronounced hierarchies and governance by rules were tackled by the first organisational restructuring in 1995. The “customer” became the focus of the restructuring which ensured “a single, locally based point of contact for the delivery of all housing services.” (ibid, p4) and downsized the hierarchy from “eight to ten levels” to “a maximum of five” (ibid, p5). Although the “twelve volume procedure manual.” (ibid, p3) remained, “Estate based budgeting was developed, with the Estate Manager able to vary expenditure within an overall limit. Thus, the Estate Manager and local residents could themselves decide whether reducing nuisance on an estate could be better achieved through the introduction of CCTV [Closed Circuit Television] or the employment of a youth worker.” (ibid, p4).

There have been five other changes. Three administrative offices have been closed to concentrate their activities in one location. Two housing advice centres have been opened to provide an integrated rather than a fragmented service. An integrated computer system has been purchased to replace five stand-alone systems and to establish E-mail as the primary form of written communication. Access to information has been opened up both within and outside Westminster. Resident consultation has been improved especially in major works projects. (Ibid.)

Dramatic impact on working conditions

Organisational restructuring had a dramatic impact on working conditions, there has been: staff reduction, cost reduction, performance improvement, exposure of fraud and high morale. Overall staff numbers have reduced “from over 650 to under 500, with senior and middle managers, together with administrative and other support staff, taking the major part of the burden” (ibid, p5). Managers did take the burden: “Not one of the members of the Housing Department Senior Management Board in August 1995 remains ... Of the thirty or so Estate Managers and Estate Surveyors who attended a two day assessment centre for the 17 new posts of Estate Manager, only nine were appointed.” (ibid, p12). Staff reduction “allowed staff who were unlikely to respond positively to major change to leave the organisation” and achieved “significant cost savings ... without any major disruption to front-line service delivery.” (ibid).

The Vice Chairman of the Housing Committee confirms that performance is improving: “Now he seems to be on top of all the major problems like asylum seekers or the homeless problem.” The first restructuring also exposed fraud: “They [some of the surveying staff]

were purchasing ten fireplaces for one flat when there is only one fireplace in the flat. So the nine other fireplaces were disappearing ... People were being ripped off.” (ibid).

Although there has been staff reduction, there is high morale – an “infused motivation and efficiency” (ibid). The Vice Chairman gives the example of improved response times: “As a councillor, as a Chairman of another committee, if I got a reply within six to seven weeks I was lucky. When I wrote to an officer under Richard a few months before I was Chairman and I got a letter within about four days, I wrote and congratulated him”. The Director would argue that this is an example of “questioning established practice” and generating “Innovative and creative approaches” (Buxton, 1997, p12).

Inner context and process of change (the why and how)

Explaining why CCT is highly developed

CCT is highly developed in Westminster. CCT is highly developed because Westminster, in contrast to Trafford, implemented CCT before it was required to by the DoE and contracts were awarded externally. Westminster was exposed to CCT in April 1996 but CCT had already been piloted on two estates by 1993-4. CCT implementation culminated in Westminster losing six out of seventeen contracts by December 1998. In other words, like Trafford, in 1993-4 CCT first emerged as a strategic issue but, in contrast to Trafford (where policy was being formulated), Westminster had made a substantial movement towards CCT and progressed to implementation.

The substantial movement towards CCT does not, however, fully explain why CCT is highly developed. As in the Trafford case study (Chapter Six, pp 233-8), in order to fully

explain why CCT is highly developed, the organisational structures and management systems which Westminster has established and within which it operates will be analysed. Westminster's content of change can be summarised in the following way and the ideas signalled here will be developed after this summary.

The researcher has again used the dual approach to explain why CCT is highly developed and why it became so. This approach was discussed in the Trafford case study (Chapter Six, pp 233-5). The researcher combines a social psychological with a sociological analysis, though the emphasis is on the sociological analysis. In short, social psychology concerns the individual, whilst sociology extends the analysis by placing the individual in a context (Wilson, 1992). Like Trafford, the social psychological analysis emerges by discussing management style, whilst the sociological analysis emerges by examining the balance of power within the intra-organisational networks.

Throughout the Trafford case study (Chapter Six, pp 203-57) it was noted that whereas Pettigrew, Ferlie and McKee (1992) discuss the importance of co-operative inter-organisation networks in the NHS, within local authority housing intra-organisation networks between local councillors, staff and tenants are an important issue.

The Conservative local councillors adopted an accelerated strategy. By the accelerated strategy it is meant that Westminster implemented CCT before it was required to by the DoE. The Conservative local councillors adopted the accelerated strategy because since the 1970s they have pursued privatisation and gentrification.

In phase one Westminster promoted home ownership. Promoting home ownership began in 1972 and was accelerated in the late 1980s through BSC (Magill, 1996, Volume 1). BSC is a generic label for a collection of inter-related policies and supporting corporate activities (Hencke and Sharrock, 1992), but Designated Sales was the key policy.

In phase two home ownership was still promoted, but CCT emerged and then, like home ownership, it was accelerated as a strategic issue. CCT was the 1990s expression of the privatisation and gentrification agenda. CCT emerged because of a will and an opportunity to change. There was the will to change because there was a climate of uncertainty caused by the inquiries into the methods used to promote home ownership. There was the opportunity to change because there was a policy change at the macro level – the extension of CCT to council housing management made possible by the Local Government Act 1992. CCT was accelerated because of the success of the two pilot projects in 1993-4 and this was despite the in-house teams winning both contracts (Annual Report, 1994). By December 1998 Westminster had lost six out of seventeen contracts.

From September 1997, and related to the appointment of a new Director of Housing in August 1995, CCT was only one of a variety of options that could be taken to introduce public/private partnerships. By introducing public private partnerships it is meant that externalisation was now being promoted. Externalisation refers to contracting out, contract management, customer orientation, non-functional division of labour and governance by objectives and results (Buxton, 1997, after Naschold, 1996).

The Conservative local councillors were able to adopt the accelerated strategy because they appointed a Director who would accelerate CCT implementation and because the most proactive residents in Westminster, those living in Churchill Gardens, supported CCT implementation.

In August 1995, during the climate of uncertainty caused by the inquiries, a new Director of Housing was appointed by the Conservative local councillors. The Director accelerated CCT implementation because his vision was to promote externalisation through downsizing and outsourcing. Whereas the Conservative local councillors adhered to the New Right political ideology, the Director was a Labour supporter (Director). The Director's vision, and his link to the Conservative local councillors, was established by having read widely within two literatures: public management (Naschold, 1996 and Ketelhohn, 1996) and generic organisational theory (Strebel, 1996 and Peters, 1989 and 1992, 1993 edition). His reading and his experience convinced him of the benefits of downsizing and outsourcing.

Churchill Garden's residents are the most proactive in Westminster because they have a long tradition of inclusion and proactivity – a tenants' association was established in the 1950s. They supported CCT implementation because they have won practical benefits under CCT, both at the specification stage and whilst the contract is running. They were able, for example, to demand high levels of service delivery.

Like Trafford, though, CCT was in part implemented by an in-house (Westminster) management style – both the Conservative local councillors and the Director managed by

command and control. Also like Trafford, those leading change, the Conservative local councillors and the Director, exploited their “Position power” (Handy, 1976, 1993 edition, p128) – their political and managerial positions. In Chapter Three (p76) it was noted that local councillors share policy formulation with staff (Malpass and Murie, 1982, 1994 edition). In phase one Shirley Porter led policy development and was described as a “conviction politician” who believed she was never “at fault” (Hill, 1996c, p21). In phase two the Conservative local councillors were still confident and forceful, though not as extreme and dominant. Although in phase two the new Director decentralised decision-making and became known as a maverick by his staff because he broke with the Westminster tradition, he still ensured that the new form of decision-making was implemented. In the Director’s own words, he “imposed” change (Buxton, 1997, p12).

Nevertheless, this similarity with Trafford, of managing by command and control, associates the Conservative local councillors and the new Director with Neo-Taylorism because of their concern with discipline (Pollitt, 1990, 1993 edition) and with the Classical school because of their concern with top-down decision-making (Whittington, 1993; Ansoff, 1965, 1987 edition and Porter, 1980).

The process of personnel change, a notion introduced in the Trafford case study (p237), also appears in Westminster. By personnel change it is meant that a new member of staff can change or adapt the organisational structures and management systems which an organisation has established and within which it operates.

In Westminster the process of personnel change appears to be more strategic than random and is related to Shirley Porter's retirement in 1992. When she retired, there was a reconfiguration of power relations at the Conservative local councillor and Director levels – in 1993-4 a new local councillor regime formulated new policies which were developed in August 1995 by the new Director. The policy shifted from the naïve and sledgehammer approach of denationalisation (promoting home ownership) to the more complex and subtle approach of liberalisation (CCT and externalisation). This was due to a will to change (a climate of uncertainty caused by the inquiries) and an opportunity to change (the extension of CCT to council housing management). Policy may change again because in 1998 the Director resigned and the composition of the Housing Committee changed after the local elections.

To summarise, the Westminster case study records a history of CCT implementation in which the Conservative local councillors (instead of the Director as in Trafford) have emerged out of the intra-organisational networks as the central protagonists. CCT is highly developed because of the Conservative local councillors' ethos and management style – they single-mindedly pursued privatisation and gentrification. How this balance of power developed, the Conservative local councillors' capacity to pursue privatisation and gentrification, will be discussed next.

Like Trafford, this history does not associate Westminster with a pluralist analysis because a dominant interest (the Conservative local councillors) seems to have been identified. In contrast to Trafford, which was associated with a structuralist analysis because the

Director symbolises the power of a local government professional elite, Westminster may be associated with several analyses (see Chapter Six, p234).

Westminster may be associated with a Marxist analysis because the Conservative local councillors symbolise the power of a class elite. The Conservative local councillors pursued privatisation and gentrification. Such an analysis need to be tempered by restating that gentrification is also a process associated with Labour authorities (Downer, 1999). Westminster may also be associated with a corporatist analysis because the Conservative local councillors exploited the power of the state (their political position) to achieve their vision. In addition, Westminster may be associated with a structuralist analysis because the Conservative local councillors exploited the power of a local government professional elite (they appointed a Director who would accelerate CCT implementation), again, to achieve their vision. (Ham and Hill, 1984, 1993 edition.)

Explaining how CCT became highly developed

How CCT became highly developed will be analysed at four levels of change: local councillor, Director, staff and resident.

Conservative local councillors adopted the accelerated strategy

By the accelerated strategy it is meant that Westminster implemented CCT before it was required to by the DoE. Three key elements contributing to the adoption of the accelerated strategy by the Conservative local councillors have been highlighted. First, they adopted the strategy because since the 1970s they have pursued privatisation and gentrification. Second, they ensured its implementation because they managed by

command and control. Third and last, they appointed a Director who would accelerate CCT implementation. These three elements will be discussed in more detail and in turn.

Pursuit of privatisation and gentrification

The Conservative local councillors adopted the accelerated strategy because since the 1970s they have been very clear about their vision – an adherence to the New Right political ideology. The current Leader of the Council, Melvyn Caplan (1997), states: “[T]here is no immutable law that says that local authorities need to be bureaucratic or inefficient. Indeed, a local authority run properly should be as efficient as the private sector.”

As a consequence, there has been a consistency of vision expressed in terms of policy continuity – the pursuit of privatisation and gentrification. This pursuit, however, incrementally evolved. In phase one (1970s-80s) Westminster promoted home ownership (Magill, 1996, Volume 1). In phase two (1990s) home ownership was still promoted, but CCT emerged. CCT emerged because of a will to change (a climate of uncertainty caused by the inquiries) and an opportunity to change (the extension of CCT to council housing management). From September 1997, and related to the appointment of a new Director of Housing in August 1995, CCT was only one of a variety of options that could be taken to introduce public private partnerships – externalisation was now being promoted.

It should be emphasised that staff can have an influential role in policy formulation when their brief is to introduce change (the new Director) and because local councillors are “part-time”: “reality is that on policy there are one or two key issues which have of

course members will wish to impose and ask the officers to work up. They will be key strategic policies ... However active and proactive I was ... in trying to put policy, I would say that three quarters of the papers I was receiving were the initiative of the officers” (Vice Chairman of the Housing Committee).

Clarity and consistency of vision have been aided by there being an “inner caucus” of decision-takers (WMS General Manager): “There is a huge gulf between leading members and the sort of proletarian member, who is in it just for the ride effectively. There are leading members who have an ideology that they want to implement. There are the others who are dragged along behind, screaming and shouting” (ibid).

In phase one Shirley Porter divided the caucus into an inner and outer core: the inner core consisted of herself and David Weeks, whilst the outer core was expanded to include the eight others who were charged in the Appointed Auditor’s provisional report. There is continuity of top-down decision-making in phase two. The committee structure emphasises top-down decision-making: “We only have four committees at Westminster: Planning, Housing, Social Services and Education.” (Vice Chairman of the Housing Committee). This means that there are only four Committee Chairs and “nominations to committees often have ulterior motives to do with politics with a small ‘p’.” (ibid). Indeed, “A new councillor elected for the first time in May will find it frustrating that they are not influencing things.” (ibid).

Management style

The Conservative local councillors ensured the implementation of the accelerated strategy because they exploited their political position and managed by command and control. In phase one Shirley Porter led change through her forceful management style. Hill (1996c) has described her as a “conviction politician” meaning “that even if she knew she wasn’t playing by the rules she would be convinced that it was the rules that were at fault, not her.” (p21). Margaret Thatcher was her “idol” (Carroll, 1997, p3) and she “has usually been written about as a woman in the Thatcher mould individual, courageous, bossy, unintellectual, astute, self-willed and never aware of the possibility of being beaten.” (Barker, 1991, p4). The negative characteristics have led some local councillors and staff to “quit during her time in office” (Cunningham, 1990, p17).

There is continuity of management style in phase two – it is confident and forceful, though not as extreme and dominant. The Vice Chairman of the Housing Committee reveals his confidence and forcefulness by his “rise to the top”. His rise to the top was: “Because of my ability ... Because I was a doer. I changed things and I made things happen ... For example, parking ... People said they couldn’t do anything about it. I came in and within six months I’d doubled the number of parking spaces”. His repetitive use of the first person reinforces the impression of self belief and he can be critical of colleagues: “some of the chairmen of committees, wouldn’t be able to devise a fairy story let alone policy in a housing department.” (ibid).

This brand of management style has been aided by central government support at the macro (environment) level and a neutralised Labour opposition at the micro (organisation)

level. Indeed management style appears to run in parallel with macro level support. In phase one Shirley Porter could afford to be extreme and dominant because the former Conservative governments openly supported her. Her successors mellowed and became confident and forceful because they lost the government's support: "I feel that the Tory government became very arrogant towards the end ... I was having meetings with Ministers on environmental planning issues ... For example ... infringements of noisy neighbours, all social environmental problems. This is a matter for the police and not you." (ibid).

Relations even became bitter: "Their famous flagship council was going to them with issues and problems and they didn't want to know. They would rush off and have photocalls with some Labour leader and what we wanted to do with them" (ibid). Despite there now being a Labour government, confidence remains because the government and Conservative local councillors share common ground: "It is interesting to say, not that we are having a good relationship with the current Labour Government, but they are saying the things we have been saying for a long time." (ibid). For instance, "There is a White Paper out shortly to be announced that the Government are thinking of giving local government powers to deal with those environmental things which are really not high on the agenda for Police." (ibid).

At the micro level Labour local councillors are neutralised because they are not the majority party: "No, they don't actually have an influence in the work that goes on behind the scenes." (ibid). Indeed, up to May 1998 the working relationship "was very, very evil and difficult and nasty ... because it became personal and stories were appearing in the

press about ones private life” (ibid). This was a result of BSC: “basically that’s behind everything” (ibid). With the retirement of “four or five councillors who were instrumental in that relationship ... we are working as more of a team ... they co-operate with us.” (ibid).

Controlling appointments

The Conservative local councillors appointed a Director who would accelerate CCT implementation. The Conservative local councillors also created structures which reinforced their influence over decision-making.

The new Director was clear about his role: “I am an officer of this Council and I serve this Council. There are certain policies of the Council, which were I deciding on a political basis, I might not support, but as an officer my job is to bring to their attention the implications of those policies. I can give them advice”.

He develops the “clear distinction between the managerialist role and the political role.”: “The arrangement that I have ... is that they do not interfere in any way, shape or form in the managerial approach to service delivery. What this means is, for example, when I arrived it was necessary to massively restructure the housing department ... On the other hand, if you take an issue which is very clearly in the political domain, for example, the voluntary sale of council housing” “I can give them advice” (ibid).

This method is becoming ritualised in recruitment procedures at the local level. The WMS Estate Director (Church Street) states: “these days we would talk to people about the

environment that we work in, that obviously we are tendered out and, really if you are thinking of just working within Westminster, your career may not be awfully long.” It is important because although staff numbers have remained at about the same level in the Church Street and Churchill Gardens offices pre and post the last CCT round, there is high staff turnover in both offices. This issue is developed in the next Chapter (Eight, pp 364-9).

One example of the Conservative local councillors creating structures which reinforced their influence over decision-making is the establishment of a Contracts Committee which operates according to “certain guidelines. One I think is the first time a contract is issued, I think on certain times of renewals and certain issues on monitoring they deal with. Smaller matters which, for example, a subsequent renewal, where there are no problems, will probably end up with the operational sub-committee.” (Vice Chairman of the Housing Committee). One critical drama was the Committee’s overruling of the Paddington Green residents’ decision to reappoint WMS in the second CCT round by appointing Pinnacle. The Director “opposed the decision at the time.” because it “undermined the housing department’s commitment to resident consultation and resident decision making.” and concludes “that the Westminster system ... failed at this point”.

Director accelerated CCT implementation

Three key elements contributing to the acceleration of CCT implementation by the new Director have been highlighted. First, he accelerated CCT implementation because his vision was to promote externalisation through downsizing and outsourcing. Second, he ensured that CCT implementation would be accelerated because he could manage by

command and control. Third and last, because he was appointed by the Conservative local councillors and he won their respect the Director had Conservative support. These three elements will be discussed in more detail and in turn.

Promoting externalisation through downsizing and outsourcing

The Director accelerated CCT implementation because his vision was to promote externalisation through downsizing and outsourcing. Whereas the Conservative local councillors adhered to the New Right political ideology, the Director was a Labour supporter (Director). The Director's vision, and his link to the Conservative local councillors, was established by having read widely within two literatures: public management and generic organisational theory.

Although the Director had "concerns" about the NPM (the "'toolbox' approach in which the latest private sector management fads are applied without thought to the complex process of managing public sector organisations." (Buxton, 1997, p1), he still used Naschold's (1996) characterisation to identify organisational strengths and weaknesses.

The Director then employed "the concepts of change management rather than New Public Management" (Buxton, 1997, p11) and, in particular, Strebel's (1996) model for identifying "the appropriate change path for any particular context". It proposed "Rapid Downsizing and Restructuring" because of the internal resistance to change ("organisational culture") and the strong external change force (the three inquiries) (Buxton, 1997, p11). The other major influence is "middle period Tom Peters [1989 and 1992, 1993 edition]" (Director). Downsizing was adopted despite concerns about the

“danger of rushing into ‘downsizing’, ‘reengineering’, or ‘empowerment’ without any clear evidence of the extent to which these concepts can be applied to achieve real improvements within public sector organisations.” (Buxton, 1997, p11, after Ketelhohn, 1996).

The Director’s vision was also established by experience. His career history is “not a traditional local government officer” (Buxton, 1997, p2). He draws on a breadth of practical and theoretical experience developed from being a housing officer (1970s), local councillor (1982-6), management consultant (to 1995) and doctoral student (Director). In particular, he “was a former Labour party councillor and former Labour party parliamentary candidate” (ibid) and the Director of Local Government Consultancy with the Capita Group and a Principal Associate with Coopers and Lybrand (Buxton, 1997).

Management style

The Director ensured that CCT implementation would be accelerated because he exploited his managerial position and could manage by command and control. After his appointment in August 1995 he identified one organisational strength, contracting out, and four weaknesses: lack of strategic management, functional division of labour, pronounced hierarchies and governance by rules. He then enhanced the strength and tackled the weaknesses by implementing two major restructurings and five other changes in three years.

The Director, however, ultimately wanted to use his authority and the existing organisational culture to decentralised decision-making. He became known as a

“maverick” (WMS General Manager) by his staff because he broke the Westminster tradition of managing by command and control. The selection of two key methods were commented on by colleagues: one symbolic, the other tangible. Both methods are influenced by Peters (1989 and 1992, 1993 edition).

The symbolic method was to use himself as a role model by stripping away the trappings of traditional leadership: “When I first went to see him, when I became Chairman, I said ‘where’s your office’. I actually shared this with my secretary and about three other people. If you know all the other Directors who have offices which are ten times grander than this office. With their own private bathrooms and stuff. I felt an amazing sign of the times.” (Vice Chairman of the Housing Committee).

The tangible method was to promote externalisation (outsourcing) and decentralised decision-making: “He is unlike any other Chief Officer ... He is not the local police ... If we’ve done what we’ve done [externalisation] in any other department there would have been massive resistance by the Chief Officers.” (WMS General Manager).

Conservative local councillor support

Because the Director was appointed by the Conservative local councillors and he won their respect the Director had Conservative support. The Vice Chairman of the Housing Committee is emphatic in his support, concentrating on the delivery of revolutionary change and the Director’s apolitical stance: “We wanted the best person. It is quite clear that he was the best person because he revolutionised the department and you couldn’t have anyone better through that difficult period. And, secondly, it was quite clear that his

politics were, you know, he didn't bring his politics into what he did. He respected the fact that he was there as a professional and he was advising a Conservative authority."

At the micro level Labour local councillors are neutralised because they are not the majority party. This means that their criticism of the Director has little impact. The Leader of the Opposition is equally emphatic in his lack of support, again picking up on the apolitical stance but introducing the issue of poor performance (efficiency): "I don't think he took on board anything which the minority party said ... [He] is not someone who ever delivered to his promises ... I just don't think he was a very efficient Director ... He was quite good at saying what people wanted to hear ... I don't think politics had anything to do with it. It was an efficiency issue."

Staff support for the accelerated strategy

It could be assumed that because the new Director accelerated CCT implementation that he was supported by staff. This is to some extent true, but it is not the full story. At the staff level of change, there were different paces of change and three barriers to change. Width of support, depth of support and the three barriers to change will be discussed.

Width of support

Width of support exists because competition is real in Westminster. The WMS Board is conscious of "operating in an internal market condition" (WMS Business Development Manager) "forced upon us by the effects of CCT and the bringing in of the private sector." (WMS General Manager). It is also conscious of CCT history: "We as an in-house team,

have a limited life. History has shown us that blue collar tendering out, that increasingly in-house teams lose work over the years.” (WMS Business Development Manager).

In response, the WMS Board is changing its organisational culture by creating “a pure management service” (ibid). The public sector ethos is giving way to managerial ideology: “I think public sector ethos has come about because of the lack of a bottom line figure and you need to make a return” (ibid). It is accepted that there is a “cost to democracy” in the sense that there is a movement away from being “process oriented” to being “output oriented” (ibid), from “want[ing] to help people” to “working in a pure management service” (ibid).

Culture change is reflected both in the introduction of new managerial practices and discourse. The WMS Board has imported a business planning process: “the marketing plan as it is called, this is our first business plan, lists all the activities we have got to achieve by the end of the year ... so that is how I am measured.” (ibid). The process is attempting to create “innovation” (WMS General Manager) in two areas – expansion and consolidation: “we want to be successful outside Westminster but, internally, we can’t afford for Pinnacle to beat us” (WMS Business Development Manager).

The WMS Board has also imported a business language: “innovation” (WMS General Manager), “the housing management contracts which were our core business, represent a nice business opportunity for quite a few people” (WMS Business Development Manager) and “the private sector can deliver a decent, reasonable product.” (WMS Manager). All this is deliberate and trained for: “I have also done an MBA which probably helps a bit

because it's jargon full but no, our aim is to be as close to an independent private company as it is possible to be within the confines of a local authority structure" (WMS Business Development Manager).

Depth of support

Depth of support, however, is pragmatic because support is not universal – different members of staff are moving at different paces of change at the local level. Variation in pace of change is revealed by the interviews with contractor staff who have worked the longest at the Churchill Gardens (the Pinnacle Repairs Manager) and Church Street offices (the WMS Housing Officer). Variation is revealed both in attitudes to the introduction of new managerial practices and discourse. There is, however, a paradox. The Pinnacle Repairs Manager (Churchill Gardens) is positive about the new managerial practices but his discourse remains that of the public sector ethos, whilst the WMS Housing Officer (Church Street) is less positive about the managerial practices but her discourse is managerial.

Discourse is analysed by comparing how the interviewees used the five key word indicators (citizen, customer, people, resident and tenant). Question eighteen of the case study pro-forma asked interviewees to indicate and explain which of the words they and the department used. The second and supporting mapping study revealed that the words customer and resident symbolise the discourse of NPM type 2 (managerial), whilst citizen, people and tenant symbolise NPM type 4 (the public sector ethos).

The Pinnacle Repairs Manager (Churchill Gardens) is one of “two people left now who were working for Westminster before we [Pinnacle] took over [in 1997].” (Pinnacle Estate Director (Churchill Gardens). He identifies two positive and fundamental changes in his working conditions. The first tempers more responsibility with a heavier workload: “The biggest [contrast] I would say was with Pinnacle the job has definitely got harder. We do a lot more now. We are allowed to take more in terms of responsibility. There is a lot of information coming down from above coming to us down here ... it doesn’t feel I am working in the public sector anymore ... getting up at 5.30 to go home when there is still work on your table, you cannot do it anymore.” (Pinnacle Repairs Manager [Churchill Gardens]).

The second change tempers wanting to meet stakeholder expectations with increased pressure and stress: “Residents, your manager, everybody. Your manager knows what you are doing. He is depending on you to deliver ... it does put you under pressure. You are more stressed ... You have to get the job done.” (ibid).

His discourse, however, remains that of the public sector ethos: “I definitely don’t use customer. Residents, tenants. Residents I use to cover everybody. Tenants I use because they are tenants.” This may reveal that his underlying values either have not changed or are changing slower than his behaviour.

The WMS Housing Officer (Church Street) is the opposite to the Pinnacle Repairs Manager (Churchill Gardens). She began working for Westminster in 1983 and “is the only Housing Officer” left who worked before the contract began in 1995 (WMS Estate

Director [Church Street]). She identifies the same changes but is less positive only tempering them with an improved formal communication structure:

- more responsibility: "More targets to keep to."
- heavier workload: "now you are working your socks off"
- great expectations: "The expectations have gone up since we became a private contractor"
- increased pressure: "We have more work pressures."
- improved communication: it provides "an opportunity to get things off your chest" and "somebody is listening." because her office "got more computers." (Ibid.)

As a consequence, she concludes that there are competing priorities and "at some stage something has got to give" (ibid). She also concludes that residents are losing out to the new business culture: "We are extremely business oriented and we have been since we went into CCT ... we would all like to be out with our tenants more but we can't do that because of the time factor." (ibid).

Her discourse, however, is managerial: "Resident. Customer sometimes because you are giving them a service." (ibid). It is this member of staff who supported the Designated Sales policy because it improved residents' quality of life. This may reveal that her underlying values either have changed or are changing quicker than her behaviour.

Three barriers to change

At the staff level of change there are three barriers to change: within WMS some managers are negative about change, Conservative local councillors oppose the client side's partnership approach to contract design and the corporate centre is reluctant to relinquish its functions. Within WMS some managers are negative about change: "Like supervision, like the identity of Westminster ... they will go and talk to the staff saying 'I

don't like this but I've been told to do it' and that generates a lack of motivation among the staff." (WMS Manager).

The problem is being tackled by being "like a parent ... quite patient and just continually sell the message and put it in a positive way." (WMS Business Development Manager). In practice, this means employing the formal communication structure, retraining and relocation. As part of the formal communication structure the WMS Operations Manager "sees all the managers on a six weekly basis for a one to one chat." (ibid) and some of the discussions become "quite frank" (WMS Manager). Managers are retrained by being given "projects", going on "away days" and helping "with business planning." (WMS Business Development Manager). If the problem persists then "we will move them to somewhere where they will be less damaging ... where they can actually have a bit more time and space to see what we are doing" (WMS Manager).

The WMS Housing Officer (Church Street) acknowledges this use of power and is complicit in its use. She refers to "the powers that be" when discussing "a senior management decision." about a 1980s organisational restructuring and to "those people up there" when discussing the setting of performance indicator targets: "The Directors have meetings and all these things are run through at these meetings." Such action is legitimated through the notion of professionalism because the strategic apex "have nearly all got housing experience." and "if you have a reasonable objection ... Then it's brought up with the seventeen or eighteen Directors of the estates." (ibid).

This use of power is not just a vertical but a horizontal process. It is exercised between contractor and client: “We get these instructions from quality assurance ... You’ve got to do that, you’ve got to record.” (ibid). It is also exercised by the private sector contractor Pinnacle. One example is the introduction of staff uniforms in order to establish a “corporate” identity (Pinnacle Estate Director [Churchill Gardens]). Although Pinnacle is creating “a democratic organisation” and the Pinnacle Estate Director (Churchill Gardens) is accordingly adopting a “laid back” or “open” management style, the Director revealed that: “If they [staff] hadn’t bought into it after a lot of persuasion, then they would have been instructed that they had to do it.” (ibid).

The Pinnacle Repairs Manager (Churchill Gardens) is aware of the need to comply: “I wasn’t too happy to start with ... being part of Pinnacle I have to conform in that.” Such action is again legitimated through the notion of professionalism: “It has a lot to do with the kind of image Pinnacle are trying to project ... professionalism in an area where they think it’s kind of slapdash ... they think the Council doesn’t do enough.” (ibid).

The Vice Chairman of the Housing Committee opposes the Head of Client Services’ partnership approach to contract design. He explains: “We are actually surprised that they are not being tougher on the bad contractors.” and gives the example of “the cleansing of a Council estate.”: “I reported him [a client side member of staff] to the Acting Director and saying that I found it absolutely appalling that there is someone in charge ... through the monitoring of the contracts, doesn’t actually go out and actually see whether there are any crisp packets ... Monitoring to me means you don’t sit in your ivory

towers looking at pieces of paper.” (ibid). He gave the ultimatum: “Unless you do something this contract is going to be cut off.” (ibid).

With externalisation WMS wants to operate more like a private sector contractor and this means taking over some of the corporate centre’s functions, which the centre is reluctant to relinquish. WMS is “taking over the Personnel service” and the Head of Personnel is objecting to the introduction of new systems – “you must use my systems for identifying training needs” (WMS Business Development Manager). It is also taking over finance: “we are going to have a talk about the general principles because there is no point pushing something like that if [the Head of Finance] is going to be against it.” (ibid).

Resident support for the accelerated strategy

At the start of this section it was noted that the Conservative local councillors were able to adopt the accelerated strategy because the most proactive residents in Westminster, those living in Churchill Gardens, supported CCT implementation. Again, this is not the full story. Resident participation was until recently a low priority initiative which meant that most residents were not consulted during policy formulation and implementation. The support of Churchill Garden’s residents and resident participation will be discussed.

Support of Churchill Garden’s residents

Churchill Garden’s residents are the most proactive in Westminster because they have a long tradition of inclusion and proactivity. This tradition is aided by having highly developed relationships with the Conservative local councillor and the local contractor – Pinnacle.

Churchill Gardens' residents have a long tradition of inclusion and proactivity because a tenants' association was established in the 1950s: "the estate was structured to have one with its community facilities" (Committee Member of the Churchill Gardens Lessee Association).

This tradition of inclusion and proactivity is aided by having highly developed relationships with the Conservative local councillor and the local contractor – Pinnacle. Successive Conservative local councillors have actively acted on behalf of residents which "keeps you [the local contractor] on your toes, there's no question about that." (Pinnacle Estate Director [Churchill Gardens]). The influence of a former Chair of the Housing Committee on a local redevelopment scheme has been described, but she also advanced personal issues, for example, tackling domestic violence.

The local contractor, Pinnacle, is driven by being a private sector contractor: "Being sort of in the private sector and being in the situation where we have to compete for work all the time, our best reference is actually the residents because if the residents say we are crap then we won't get on any tender lists and we won't win any work." (ibid). Inclusion is delivered by a variety of methods: "tell[ing] them the truth" ("then they respect you"), speed of response ("If you deal with something immediately, it doesn't get out of control." and improving repairs ("laying the law down") (ibid).

Churchill Garden's residents supported CCT implementation because they have won practical benefits under CCT, both at the specification stage and whilst the contract is

running. At the specification stage residents were able to “impose” “onerous” conditions: “We, for instance, patrol the estates up to nine o’clock at night ... We do more tenancy checks than any other offices. We carry out a higher percentage of repairs than other offices.” (ibid). Whilst the contract is running they are being consulted about “a roads resurfacing contract which is due to go out to tender” and, in particular, about “the specification ... They don’t like nasty surprises.” (ibid).

Resident participation

The experience of Churchill Gardens’ residents is not the experience of most of Westminster’s residents. Resident participation was until recently a low priority initiative which meant that most residents were not consulted during policy formulation and implementation.

In phase home owners were prioritised over residents and residents had to fight for their housing rights. Residents funded and pursued the Designated Sales inquiry – they had “to scratch together the money to make the case and upon whom, despite Mr. Magill’s devastating preliminary findings, the burden of proof still rests.” (Phillips, 1994, p29). They resisted the redevelopment policy – resistance by the Walthamton and Elgin residents to their council homes being sold to private developers has been described. In the end, they felt manipulated, one resident spoke of his friends: “They thought the council had done them a favour, but it was buying votes.” (Pilkington, 1994, p3).

In phase two, in August 1995, as part of the new Director’s operational review, he developed the “tenant centred model of contractual service delivery” (Director). It is a

hybrid of NPM types two and four: “we would be more than delighted if we had 100% tenant management with basing the concept our service around the rights of the residents who live on the estates to self determine their futures. The contractual framework sits alongside that because ... [it is] a mechanism for delivering efficiency which enables us to invest more money on the things the residents want to have invested.” (ibid).

The Director is satisfied with this model: “Our residents now would not turn away from the contractual model of service delivery, even if given the choice.” (ibid). This is because “the levels of satisfaction with Pinnacle, PCHA [Paddington Churches] are very high indeed.” (ibid).

At the authority level the model is, however, still anchored in exclusion. In contrast to Trafford, residents are not co-opted on the Housing Committee, but like Trafford there is a paternalistic attitude to policy formulation: “the only committee where there is anyone sitting on that committee who are not elected councillors is the Education Committee where there are two of the church schools, a Catholic and a Church of England representatives sit on ... but they can’t vote ... we are elected by the people to represent the people of Westminster and we will make the decisions.” (current Vice Chairman of the Housing Committee).

At the local level Church Street’s residents have not felt the benefit of the model. In contrast to Churchill Garden’s residents, Church Street’s residents have not had a long tradition of inclusion and proactivity, nor highly developed relationships with the Labour local councillors and the local contractor – WMS.

Church Street's residents have not had a long tradition of inclusion and proactivity because the residents are divided. Between 1993 and 1994, for example, the former Church Street Residents' Association splintered and the current Church Street Housing Panel does not represent all residents: "umpteens blocks round here have got no representatives at all and have not even bothered. I know some want to come under my wing and I have said, 'Sorry, no, you look after yourself. I will help you but I will not get involved'" (Chair of the Church Street Housing Panel).

The WMS Estate Director (Church Street) agrees: "They are disorganised rather than quiet ... you will get a number of individuals who will be very vocal but the actual [resident] associations themselves are not very vocal at all and still much concentrate on local issues like the standard of work in their block."

Church Street's residents do not have a highly developed relationship with the Labour local councillors. This surprises the WMS Estate Director (Church Street): "they are quite quiet which surprises me because it is an area where there are a lot of key issues they could pick up on, such as the crime and the vandalism."

Church Street's residents do not have a highly developed relationships with the local contractor, WMS, because the WMS Board reluctantly recognises resident participation: "I think also Westminster's Housing Department has led quite a high profile resident empowerment process as well ... we have articulate and involved residents who have also

applied pressure to the political structure and officers” (WMS Business Development Manager).

The WMS Board also prioritises staff over residents: “lets make it clear, it [externalisation] doesn’t affect them as tenants, their rights to tenancy. We are trying to secure a future for the staff that are currently working in their estate offices. Some of them are a bit suspicious, we’ve been to see residents, we say what we are doing” (WMS Manager).

The WMS Estate Director (Church Street) states: “[if] we won’t listen to our customers and then our customers won’t want us and then we won’t have any business and end of story.” She also reveals that: “I think basically our contract is a bigger driving force ... It’s in our contract to consult with residents about a number of things but, most particularly, major works but I think the focus of our service is very much ... certainly the front line service that the Housing Officers offer, it has increasingly become less ... carey/sharey ... and more getting our rent arrears down, getting our parking bays let.”

Concluding remarks

This chapter has at the micro level empirically confirmed the results of the two mapping studies by describing and analysing the case study work in Westminster – it is the high change Conservative receptive context for the NPM. In doing so, the chapter has demonstrated variation in NPM diffusion even in two Conservative authorities – Westminster is the Conservative high change context, whilst Trafford is the Conservative

low change context. The chapter has also explained variation in greater detail and improved understanding about quasi-market development.

Developing these issues in turn, Westminster was identified as the Conservative high change receptive context for the NPM in both mapping studies. In the first and main mapping study, Westminster became the Conservative high change context because of the two Conservative authorities which ranked NPM type 2 first, Westminster had the higher concentration of this type. In the second and supporting mapping study, Westminster again became the Conservative high change receptive context because it promotes the discourse of NPM type 2 and relegates NPM type 4.

The case study work in Westminster has at the micro (organisation) level empirically confirmed the results of the two mapping studies at the meso (public service) by revealing that CCT is highly developed in Westminster. CCT is highly developed because Westminster, in contrast to Trafford, implemented CCT before it was required to by the DoE and contracts were awarded externally. CCT implementation is linked to the NPM because it is one key stream of NPM strategic activity. In the introduction it was noted that CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study and the selection rationale is discussed in the introduction to the Trafford case study (Chapter Six, pp 204-5).

Variation in NPM diffusion has been explained in greater detail than Chapter Five (pp 147-202) and understanding about quasi-market development has been improved by explaining why CCT is highly developed and how it became so. The Conservative local

councillors adopted the accelerated strategy because since the 1970s they have pursued privatisation and gentrification. CCT was the 1990s expression of the privatisation and gentrification agenda. The Conservative local councillors were able to adopt the strategy because they appointed a Director who would accelerate CCT implementation and because the most proactive tenants in Westminster, those living in Churchill Gardens, supported CCT implementation.

In contrast, in Trafford, it was the Director (instead of the Conservative local councillors) who adopted the resistant strategy (an opposing strategy) because he was cautious (instead of enthusiastic) about implementing CCT. He was able to adopt the strategy because of staff, local councillor and tenant passivity (whereas in Westminster most local councillors, staff and residents were proactive and working towards CCT).

Like Trafford, though, both the Conservative local councillors and the new Director exploited their positions of power and managed by command and control. The Director, however, ultimately wanted to use his authority and the existing organisational culture to decentralised decision-making – he became known as a maverick by his staff because he broke the Westminster tradition.

The process of personnel change, a notion introduced in the Trafford case study (Chapter Six, p237), also appears in Westminster. In Westminster, the process appears to be more strategic than random and is related to Shirley Porter's retirement in 1992. When she retired, there was a reconfiguration of power relations at the Conservative local councillor and Director levels – the policy shifted from the naïve and sledgehammer approach of

denationalisation (promoting home ownership) to the more complex and subtle approach of liberalisation (CCT and externalisation).

Returning to the three contemporary themes of governance, variation and continuity, like Trafford, these themes are evident at the micro and empirical levels. All three themes are captured within one organisation. In Trafford, governance can be delivered in a variety of ways in one organisation because CCT is superimposed over an existing management system – management by caution and control. Despite CCT legislation and Trafford being exposed to CCT in April 1997, CCT is underdeveloped in Trafford. (Marnoch, 1997.)

In contrast, in Westminster, CCT is not superimposed over but coexists with the existing management system. Indeed, management by contract was implemented through management by command and control. Privatisation and gentrification were pursued through top-down decision-making at all four levels of change: local councillor, Director, staff and resident.

The case study work in Westminster, like the work in Trafford, empirically supports the views expressed by the Third Way scholars, those critiquing NPM type 2 (Chapter Two, pp 25-7). These scholars pragmatically emphasise that public service management is located between management by hierarchy and management by contract (Kickert, 1997). Management by hierarchy is linked to management by command and control through the concerns with discipline and top-down decision-making.

The case study work in Westminster, in contrast to Trafford, is not, however, solely associated with a structuralist analysis, but several analyses. Westminster, in part, may be associated with a structuralist analysis because the Conservative local councillors exploited the power of a local government professional elite (they appointed a Director who would accelerate CCT implementation) to achieve their vision. Westminster, though, may be associated with Marxist and corporatist analyses. Westminster may be associated with a Marxist analysis because the Conservative local councillors symbolise the power of a class elite – they pursued privatisation and gentrification. Westminster may also be associated with a corporatist analysis because the Conservative local councillors exploited the power of the state (their political position as formulators of policy [Malpass and Murie, 1982, 1994 edition]), again, to achieve their vision. (Ham and Hill, 1984, 1993 edition.)

Following the sequence and timing of data collection and analysis outlined in Chapter Four, the next two chapters (Eight and Nine) will move from the empirical back to the theoretical. Chapter Eight will explain variation in NPM diffusion and improve understanding about quasi-market development. In particular, it will develop Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change.

CHAPTER 8

RECEPTIVITY FOR CHANGE – EXPLAINING VARIATION IN NPM DIFFUSION

“Moving along the track which is himself,
He loves what he hopes will last, which gone,
Begins the difficult work of mourning,
And as foreign settlers to strange country come,
By mispronunciation of native words
And by intermarriage create a new race
And a new language, so may the soul
Be weaned at last to independent delight.”

W.H. Auden: It was Easter as I walked in the public gardens

Introduction

The primary purpose of this chapter is to explain variation in NPM diffusion and its secondary purpose is to improve understanding about quasi-market development. In other words, using W.H. Auden’s metaphor, the reasons for there being different tracks of change are explored. This will be achieved by returning to the debates highlighted in Chapter Three (pp 59-93).

Explaining variation in NPM diffusion will be achieved by developing Pettigrew, Ferlie and McKee’s (1992) notion of receptivity for change. Receptivity is an emerging notion which identifies the factors which contribute to organisations either being low change non-receptive contexts (Trafford) or high change receptive contexts (Westminster). Improving understanding about quasi-market development will be achieved by updating work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

The chapter is divided into three sections. First, it will briefly discuss the challenges of explaining change. Second, it will explain variation in NPM diffusion by revealing

receptivity factors from the NPM and CCT literature reviews, the two mapping studies and the case study work. Third and last, it will improve understanding about quasi-market development by comparing the results of the case study work in terms of how they can update work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

Challenges of explaining change

In Chapter Three (p86) it was noted that Pettigrew, Ferlie and McKee (ibid) carefully state that receptivity factors are indeterminate in their outcomes and implications. By indeterminacy Pettigrew, Ferlie and McKee (ibid) mean that they are presenting a view of change processes which recognises emergence, possibility, precariousness and iteration. Given that this chapter is about explaining change more clarification about the challenges involved are needed.

Pettigrew, Ferlie and McKee's (ibid) statement is part of a consensus in the change literature which affirms that qualified "generalizations about social change, and 'history' more widely, are both possible and worthwhile." (Giddens, 1991, p206). This affirmation is qualified by the observation that "our attempts at explaining general patterns of social change are liable always to remain fairly fragmentary" (ibid). Fragmentation exists for three reasons: having no detailed knowledge of an individual's motivations, there are no patterns of universal causation and the complexity of change. In discussing the first reason Giddens (ibid) warns that

"human knowledgeability ... alters the causal conditions under which otherwise comparable actions are undertaken ... we can rarely, if ever, have detailed knowledge of agents' reasoning processes" (ibid).

The second reason, there are no patterns of universal causation, has been discussed both theoretically and empirically. Giddens (ibid) argues the theoretical case:

“we are liable to find ourselves with an aggregate of ‘causal influences’ rather than conclusive generalizations about why things ‘had to happen’ as they did ... it expresses the necessary incomplete nature of generalizing explanations in the social sciences. There are no patterns of universal causation” (ibid)

Grint (1997) relates this idea to chaos theory and organisational life. He divides the theory into six critical elements of which the first three are relevant to organisations: “that organizational life is both predictable and unpredictable; that causal analysis is virtually impossible; that diversity rather than homogeneity is a more productive base” (ibid, pp 82-3).

Pettigrew, Ferlie and McKee (1992) argue the empirical case from their NHS data:

“the management of change is likely to be contextually very sensitive; that there is no ‘quick fix’ or simple recipe; and that there is no one way of effecting change” (p268).

They conclude that “the introduction of general management has not been at all general, and there seemed almost as many general managements as general managers.” (ibid). Because the management of change is likely to be contextually sensitive and there is no one way of effecting change, Chirot (1994) notes: “We are probably no better at being able to judge ahead of time what will function than our ancestors, though presumably we can gauge the results of any particular experiment more quickly than they did.” (p128).

The third reason, the complexity of change, has also been discussed both theoretically and empirically. Complexity of change acknowledges that there are simultaneous change processes. It also acknowledges that there can be resistance to change which makes it difficult to interpret the intentions of change agents and their opponents (Marsh, 1998). Giddens (1999) argues the theoretical case by exploring the tension between, or the simultaneous change processes of, ‘tradition’ and ‘globalisation’. He argues that although “basic changes are happening today under the impact of

globalisation”, tradition “isn’t only still alive, it is resurgent” and “needed in society.” (ibid, p3). All scholars, for example, work within traditions:

“The reason is that no one could work in a wholly eclectic fashion. Without intellectual traditions, ideas would have no focus or direction.” (ibid).

This tension is necessary to locate “power” (ibid, p2), “truth” (ibid, p3) and “self-identity” (ibid, p4) and to win “greater freedom of action” (ibid).

Chirot (1994) argues the empirical case by noting “The Paradox Of Institutional Resistance To Change” (p125) and relating it to transformational and incremental change. Transformational change occurs because social institutions and the political system “resist changes” opening “an ever increasing gap between material or ideological pressures and institutional forms” leading to “revolutionary, dramatic times” in which “the rate of social change occurs most quickly.” (ibid, pp 120-1). An example is the collapse of European communism. Incremental change occurs because industrial societies “respond to unfavourable economic news with a change of policy.” (ibid, p122). Examples are the nuclear family and religion.

As a consequence of the complexity of change, Chirot (ibid) notes that “Only a few innovations survive long enough; most that are tried are either insignificant or failures.” (p119). Innovations that have survived are the nuclear family, competition and education. Grint (1997) quantifies Chirot’s (1994) pessimism: “75 per cent of change management fails” (Grint, 1997, p72).

Any attempt at explaining change will be faced by the three challenges of having no detailed knowledge of an individual’s motivations, there are no patterns of universal causation and the complexity of change. Nevertheless, as Giddens (1991) argues, explaining change is both possible and worthwhile. Explaining change is worthwhile

because, as Pettigrew, Ferlie and McKee (1992) state, organisational members are seeking answers about how to manage change.

Explaining variation in NPM diffusion

The primary purpose of this chapter is to explain variation in NPM diffusion. Having acknowledged the challenges of explaining change and drawing inductively from this research, Figure 8.1 identifies ten receptivity factors for organisational change.

Figure 8.1: Ten receptivity factors for organisational change

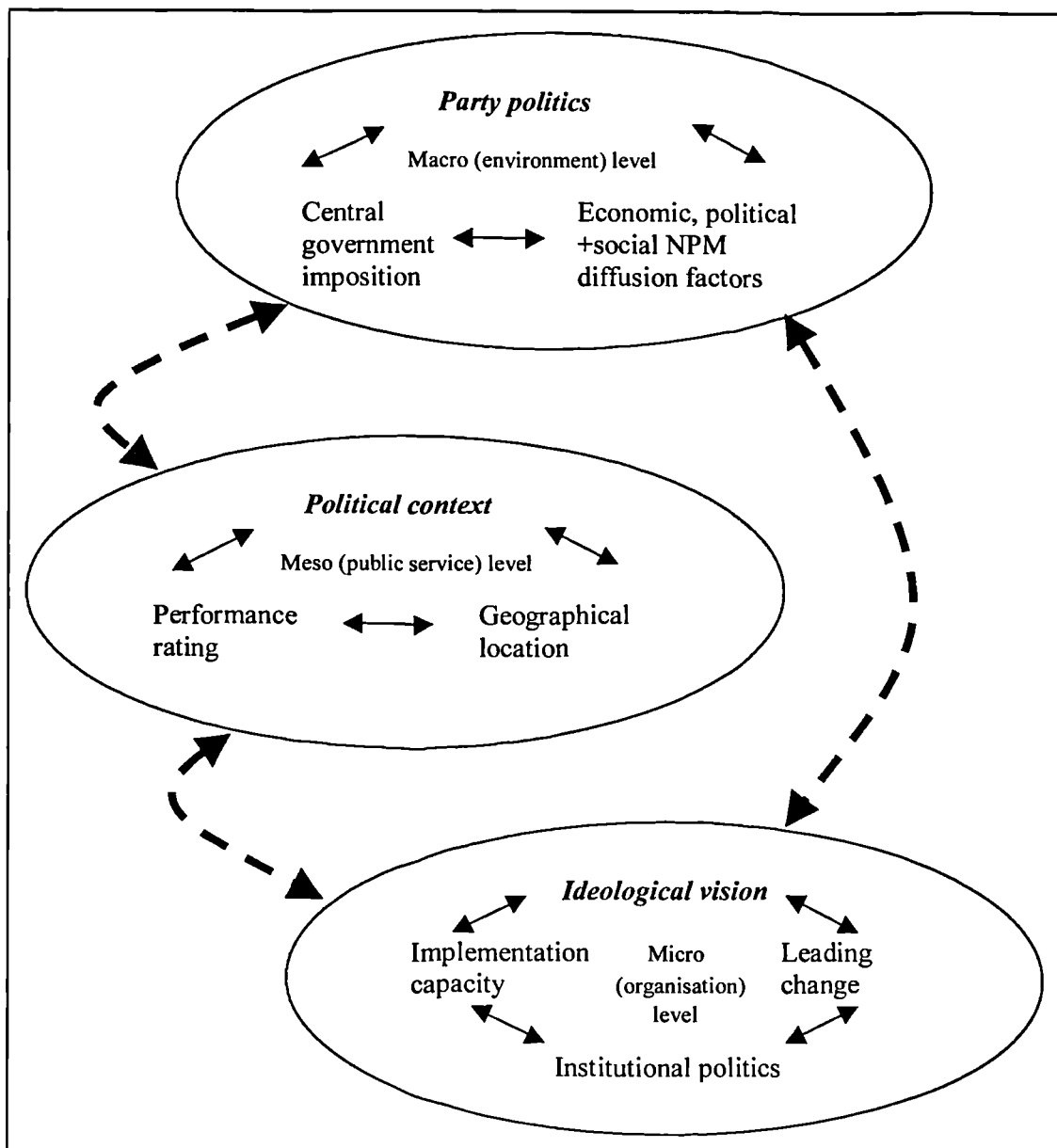


Figure 8.1 identifies ten receptivity factors for organisational change by drawing inductively from the NPM and CCT literature reviews and the results of the two mapping studies and the case study work. This inductive approach has influenced the presentation of the receptivity factors in Figure 8.1.

The researcher's choice of research design was the selection of a triple methodology. The triple methodology refers to the selection of an appropriate research method at three levels of change, the macro (environment), meso (public service) and micro (organisation) levels, to explain variation in NPM diffusion. (Chapter Four, pp 94-146.)

At the macro level the NPM and CCT literature reviews revealed three receptivity factors, at the meso level the two mapping studies revealed three more factors and at the micro level the case study work revealed another four factors. As a consequence, Figure 8.1 presents a multi-level analysis. The receptivity factors will be defined and analysed from the next page.

The NPM and CCT literature reviews and the results of the two mapping studies and the case study work did not reveal receptivity factors in isolation from one another. Instead, at the three levels of change, the receptivity factors are interconnected. As a consequence, Figure 8.1 uses 'continuous' two-way arrows to emphasise that at each level the receptivity factors are interconnected. Figure 8.1 also uses 'dotted' two-way arrows to interconnect the three levels of change. The interconnections will also be discussed from the next page.

Although the receptivity factors are interconnected, at each level of change one factor seemed to have more influence than the other factors. As a consequence, Figure 8.1 highlights the more influential receptivity factor by writing it in bold and italics. The reason for the receptivity factor having more influence will be discussed when the interconnections between the factors are discussed.

The ten receptivity factors at the macro, meso and micro levels of change, the interconnections between the levels and how Pettigrew, Ferlie and McKee's (ibid) notion of receptivity for change has been developed will be discussed.

Macro (environment) level

The macro level is the outer context of change which may be used to explain the why of change – it is the economic, political and social environment in which local authority housing operates. The receptivity factors at this level of change have been revealed by the NPM and CCT literature reviews. The two literature reviews revealed three sets of factors: party politics, economic, political and social NPM diffusion factors and central government imposition.

The NPM literature review revealed ten economic, political and social NPM diffusion factors (Chapter Two, Figure 2.5, p34). There are four economic factors: the English disease, big government (fiscal stress), poor macroeconomic performance and new technology. There are two political factors: party politics (drawing on the New Right philosophy, public choice theory, Hayek and right-wing think-tanks) and initial institutional endowment. There are four social factors: literate population, public service staff, demography and self-induced extinction (as older frameworks became unacceptable).

The CCT literature review emphasised one of the political factors – party politics (Chapter Three, pp 89-91). It established that the history of CCT legislation in local government (1980-2000) was dictated by the DoE. The DoE established the policy and implementation frameworks through a series of Acts of Parliament. The Local Government, Planning and Land Act 1980 first introduced CCT in local government and the Local Government Act 1992 extended CCT beyond manual workers to professionals, later including council housing management. The DoE was in turn influenced by Margaret Thatcher's and John Major's commitment to privatisation.

Harrow and Willcocks (1992) identify seven of the mechanisms that central government and the DoE have used to dictate CCT implementation. First, the policy framework was externally imposed through legislation. Second, legislation curtailed innovation choices. Third, the implementation framework was relatively short. In Chapter Five (Figure 5.6, p164) it was noted that about half of the local housing authorities used in this research were exposed to CCT in April 1996 and the other half in April 1997. Half the sample had four years to implement CCT (1992-6) and the other half had five years (1992-7). (Arnold-Forster, 1993.)

The fourth of Harrow and Willcocks' (1992) seven mechanisms used to dictate CCT implementation was not testing CCT over time. Fifth, CCT was held to be efficient despite it containing hidden costs. Sixth, CCT's external imposition required the mastering of other internal innovations, for instance, business skills. Seventh and last, public service staff came to believe that innovation should either contrast with current working practices or reduce costs.

The important role of party politics as a motor of change at the macro level suggests that this receptivity factor has more influence than the other factors. This is why the receptivity factor has been highlighted in bold and italics. The government of the day (in this case the Conservatives) has an important role because it creates a legislative programme (CCT policy formulation) and employs various mechanisms to implement that programme (CCT policy implementation).

Lewis and Glennerster (1997) also found that party politics was important, although they more generally refer to central government intervention. Pettigrew, Ferlie and McKee (1992) more generally still refer to the role of environmental pressure, which can drain energy or create opportunities for change.

Meso (public service) level

The meso level is part of the inner context of change – it is the institutional environment in which local housing authorities operate. The receptivity factors at this level of change have been revealed by the two mapping studies. The mapping studies revealed three receptivity factors: political context, geographical location and performance rating.

The receptivity factors were revealed by relating the distribution of the local housing authorities used in this research to the sample rationale. The sample rationale identifies receptivity factors because it selected authorities by striking a balance in: political context (Conservative/Labour), organisation size (large/small), performance rating (above average, below average and average) and geographical location (north/south).

In the first and main study, the data suggested that variation in NPM diffusion is explained in terms of three receptivity factors: political context, performance rating (for high change receptive contexts for NPM type 2) and geographical location (for low change non-receptive contexts for NPM type 2). Similarly, in the second and supporting study, the data suggested that variation is explained in terms of political context and geographical location. The difference between the studies is that the first identifies a third receptivity factor – performance rating.

Political context seems to have more influence than the other receptivity factors as a motor of change at the meso level. This is why the receptivity factor has been highlighted in bold and italics. Political context seems to have more influence because in both mapping studies it was identified as the principle receptivity factor.

In the first and main mapping study, political context is the principle receptivity factor because it strongly indicates potential NPM type 2 diffusion. Political context strongly indicates potential NPM type 2 diffusion because the data from the study suggested that there is an approximation between being a Conservative or a Labour local housing authority and the extent of NPM type 2 diffusion. Political context explains both the rankings of the high change receptive contexts and the low change non-receptive contexts for NPM type 2. Conservative authorities are more likely to be high change contexts than Labour authorities.

Performance rating and geographical location are subsidiary receptivity factors because they weakly indicate potential NPM type 2 diffusion. Performance and location weakly indicate potential NPM type 2 diffusion because the data from the study suggested that there is a weak approximation between being an above/below

average or a northern/southern local housing authority and the extent of NPM type 2 diffusion. Performance only explains the rankings of the high change receptive contexts and not the low change non-receptive contexts for NPM type 2 – Westminster and South Northamptonshire are above average performers. In contrast, location only explains the rankings of the low change contexts and not the high change contexts – North Warwickshire, Coventry and Trafford are located in the north, whilst Stevenage is in the south.

In the second and supporting mapping study, political context is the principle receptivity factor because it strongly indicates the diffusion of a NPM discourse – all five key word indicators (citizen, customer, people, resident and tenant) were strategically exploited. Again, Conservative local housing authorities are more likely to be high change receptive contexts than Labour authorities.

Geographical location is the subsidiary receptivity factor because it weakly indicates the diffusion of a NPM discourse – three instead of all five key word indicators were strategically exploited. Both NPM type 2 indicators were exploited (the words customer and resident), whilst only one of the three NPM type 4 indicators was exploited (tenant). Southern local housing authorities are more likely to be high change receptive contexts than northern authorities.

Lewis and Glennerster (1997) also found that political context was important, although they were “not clear” (p199) about its role. They (ibid) did, however, note that in responding to a legislative programme, like CCT, that new demands were juggled alongside prior policy commitments.

Micro (organisation) level

The micro level is part of the inner context of change – it captures the organisational structures and management systems which individual local housing authorities establish and within which they operate. The receptivity factors at this level of change have been revealed by the case study work. The two case studies revealed four receptivity factors: ideological vision, leading change, institutional politics and implementation capacity.

The receptivity factors have not been discussed elsewhere. In order to simplify this part of the argument, it will be divided into five stages. The receptivity factors will be defined and then the four factors will be discussed in turn. In particular, the reasons why the receptivity factors contribute to Trafford being a low change non-receptive context and Westminster a high change receptive context for NPM type 2 and CCT will be explained.

Defining the terms of reference by justifying the analytical categories

Change is about people. Pettigrew (1990) reminds the reader of this in his discussion about context and action: “Context is not just a stimulus environment but a nested arrangement of structures and processes where the subjective interpretations of actors perceiving, comprehending, learning and remembering help shape process.” (p270). He (ibid) also argues that analytical categories are needed in order to fulfil the comparative element of the comparative, longitudinal and processual case study method. Noblit and Hare (1983) and Silverstein (1988) make the same point – explanations of change are deepened by forming general categories of how organisations may be related.

Four analytical categories will be used to compare (and contrast) Trafford and Westminster: ideological vision, leading change, institutional politics and implementation capacity. These categories were drawn inductively from the results of the case study work (Glaser and Strauss, 1967 and Pettigrew, Ferlie and McKee, 1992).

Ideological vision is novel because it combines two more widely used analytical categories: ideology and vision. By vision it is meant that there is quality and coherence of policy (Pettigrew, Ferlie and McKee, *ibid*). In other words, a local authority has developed a strategic agenda which is both corporate in nature and which provides a sense of direction and a guide to action. The agenda combines an existing problem, a desired end-state and a set of threats and opportunities. (Leach, 1996.)

Ideology is difficult to define because it “represents a vast and complex field within social science” (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996, p9). Here, by ideology it is meant “the set of ideas which arise from a given set of material interests or, more broadly, from a definite class or group” (Williams, 1976, 1988 edition, p156). In this research there are four key sets of ideas – the four NPM types which compose the NPM typology. Each NPM type symbolises a managerial ideology (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996), NPM types 2 and 4 symbolise citizenship concepts and together they symbolise the existence of multiple ideal types (Doty and Glick, 1994).

Ideological vision, then, refers to there being a strategic agenda, but recognises that the agenda may arise from the interests of a definite group within an organisation. In

this research, the group may represent one or more NPM types, managerial ideologies and citizenship concepts.

Leading change refers to the notion that leaders may be individuals or small groups and that they may come from a broad occupational base or any hierarchical level within an organisation (Pettigrew, Ferlie and McKee, 1992). It is not limited to the activities of senior managers (Lewis and Glennerster, 1997) or Area Housing Managers (Walsh and Spencer, 1990). Leading change also refers to the actions of the individuals or small groups – how they plan, take opportunities and time interventions (Pettigrew, Ferlie and McKee, 1992).

Institutional politics refers to the importance of co-operative organisational networks. Whereas Pettigrew, Ferlie and McKee (ibid) discuss inter-organisation networks in the NHS, within local authority housing intra-organisation networks between local councillors, staff and tenants are an important issue. Like Pettigrew, Ferlie and McKee's (ibid) definition of inter-organisation networks, this definition recognises that there can be formal and informal network structures – formal structures include the use of Committees, whilst informal structures include the use of management style to build commitment.

Implementation capacity refers to the mechanisms used by those leading change to shape and influence strategy/policy implementation and to the behaviour of other stakeholders in the organisational network. Implementation capacity is similar to Greenwood and Hinings' (1996) notion of capacity for action. Both notions embrace "the *availability* of these skills and resources within an organization *and* their *mobilization*." by "multiple actors." (ibid, p1040). Implementation capacity is

different from Greenwood and Hinings' (ibid) notion because they emphasise leadership, whilst implementation capacity emphasises leading change. Leading change recognises the role of all members of staff in change.

Implementation capacity is also related to Pettigrew, Ferlie and McKee's (1992) notion of locale – local factors may influence change and, in turn, local factors may be reshaped by top-down interventions or local activities.

In short, leading change locates decision-making and analyses the actions of the decision-makers. Institutional politics explains the location of decision-making. Implementation capacity explains the location of decision-making in greater detail by going beyond structural relationships to explore critical incidents. Ideological vision critically reflects on the strategic decisions being made by evaluating their purpose.

The four analytical categories provide a direct link to the two assumptions underlying the construction of the NPM typology. Ideological vision is a direct link to the first assumption which notes that the NPM can be interpreted as the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and citizenship concepts (Faulks, 1998). Having the direct link means that it is possible to explain the fall and rise of the NPM types, managerial ideologies and citizenship concepts more precisely by critically reflecting on the purpose of the strategic decisions being made.

Leading change, institutional politics and implementation capacity are a direct link to the second assumption which interprets organisational life as a struggle between networks of members representing different managerial ideologies and citizenship

concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Having the direct link again means that it is possible to explain the dynamics of the diffusion of the NPM types, managerial ideologies and citizenship concepts more precisely, but this time by linking them to the actions of people – the location of decision-making and the explanations of the location of decision-making.

The four analytical categories or receptivity factors will now be used to compare (and contrast) Trafford and Westminster. The discussion will explain why the receptivity factors contribute to Trafford being a low change non-receptive context and Westminster a high change receptive context for NPM type 2 and CCT.

Leading change

Leading change locates decision-making and analyses the actions of the decision-makers. In both Trafford and Westminster there was top-down decision-making. In Trafford, the Director adopted a resistant strategy. By the resistant strategy it is meant that Trafford only complied with CCT legislation. The Director adopted the resistant strategy because he was cautious about implementing CCT. He wanted to learn from the experience of other local housing authorities. In September 1995, for example, literature recommending how CCT should be implemented and the contract specifications from some Greater Manchester authorities had been obtained (Trafford Metropolitan Borough, CCT [staff] Bulletin 7, September 1995).

In Westminster, the Conservative local councillors adopted an accelerated strategy. By the accelerated strategy it is meant that Westminster implemented CCT before it was required to by the DoE. The Conservative local councillors adopted the accelerated strategy because since the 1970s they have pursued privatisation and

gentrification. CCT was the 1990s expression of the privatisation and gentrification agenda. The policy shifted from the naïve and sledgehammer approach of denationalisation (promoting home ownership) to the more complex and subtle approach of liberalisation (CCT and externalisation). This was due to a will to change (a climate of uncertainty caused by the simultaneous running of three inquiries, including the Designated Sales inquiry) and an opportunity to change (the extension of CCT to council housing management, made possible by the Local Government Act 1992).

The data from the case study work suggests that in local authority housing leading change may contain a key element. Although the researcher defined leading change as not being limited to the activities of senior managers (like Pettigrew, Ferlie and McKee [1992], but in contrast to Lewis and Glennerster [1997]), in local authority housing the location of decision-making may be at the top of the hierarchy. In Trafford decision-making was located with the Director, whilst in Westminster it was located with the Conservative local councillors.

Institutional politics

Institutional politics explains the location of decision-making. In Trafford, the Director was able to adopt the resistant strategy because of staff, local councillor and tenant passivity. Passivity was in part generated by the Director's management style – he managed by command and control. The Director is aware of his management style and described it as 'the Rottweiler'. This exploited his managerial position, which established hierarchical and centralised decision-making concentrated at the Director level.

Passivity was also generated by local councillor and tenant relations. Local councillors ceded responsibility to the Director. Local councillors involved in housing are not committed to CCT, local councillors not involved in housing ranked it a low priority service and the Departmental Management Team (DMT) attempted to alienate local councillors from the policy formulation process. Tenants also ceded responsibility to the Director. The process of maintaining unequal staff-tenant relations can be explained by referring to the rhetoric of institutional consultation, the Director's role and the negative stereotyping of tenants. These issues are described in greater detail in the Trafford case study (Chapter Six, pp 203-57).

In Westminster, the Conservative local councillors were able to adopt the accelerated strategy because they appointed a Director who would accelerate CCT implementation and because the most proactive residents in Westminster, those living in Churchill Gardens, supported CCT implementation.

In August 1995, during the climate of uncertainty caused by the inquiries, a new Director of Housing was appointed by the Conservative local councillors. The Director accelerated CCT implementation because his vision was to promote externalisation through downsizing and outsourcing. Churchill Garden's residents are the most proactive in Westminster because they have a long tradition of inclusion and proactivity – a tenants' association was established in the 1950s. They supported CCT implementation because they have won practical benefits under CCT, both at the specification stage and whilst the contract is running. They were able, for example, to demand high levels of service delivery. These issues are also described in greater detail in the Westminster case study (Chapter Seven, pp 258-322).

Institutional politics are dynamic because organisational networks can change. The mechanism of change appears to be personnel change. By personnel change it is meant that a new member of staff can change or adapt the organisational and management structures and systems which an organisation has established and within which it operates. In Trafford the process appears random but four independent events have taken place which may adapt how Trafford operates, whilst in Westminster it appears more strategic than random and is related to Shirley Porter's retirement in 1992.

In Trafford, although the process of personnel change appears random, four independent events have taken place which may adapt how Trafford operates. First, there is a reconfiguration of power relations at the local councillor level – in May 1994 Labour succeeded the Conservatives to the Chair of the Housing Committee which in part disabled the Director's proactivity. Second, there is a reconfiguration of power relations at the Director level – his retirement in 1997 created new opportunities for the Area Housing Managers. Third, there is a reconfiguration of power relations at the DMT-staff level – a new ethos may be developing in which there may be movement away from staff consultation to consultation. Fourth and last, there is a potential reconfiguration of power relations at the tenant level – an attempt to make the DMT more responsive to tenant needs.

In contrast, in Westminster, the process of personnel change appears to be more strategic and is related to Shirley Porter's retirement in 1992. When she retired, there was a reconfiguration of power relations at the Conservative local councillor and Director levels – in 1993-4 a new local councillor regime formulated new policies which were developed in August 1995 by the new Director. The policy shifted from

promoting home ownership to CCT implementation and externalisation. This was due to a will to change (a climate of uncertainty caused by the inquiries) and an opportunity to change (the extension of CCT to council housing management). Policy may change again because in 1998 the Director resigned and the composition of the Housing Committee changed after the local elections.

The data from the case study work suggests that in local authority housing institutional politics may contain two elements. First, Pettigrew, Ferlie and McKee's (1992) definition of inter-organisation networks recognises that there can be formal and informal network structures. Both structures are used in local authority housing. In Trafford, an informal structure was used – passivity was in part generated by the Director's management style. In contrast, in Westminster, formal structures were used: the Conservative local councillors used their recruitment procedure to appoint a Director who would accelerate CCT implementation and Churchill Gardens' residents were able to demand high levels of service delivery because they were assigned a key role during contract negotiations. Second, institutional politics are dynamic because organisational networks can change – the mechanism of change appears to be personnel change.

Implementation capacity

Implementation capacity explains the location of decision-making in greater detail by going beyond structural relationships to explore critical incidents. In particular, implementation capacity explores the mechanisms used by those leading change to dictate strategy/policy implementation and the behaviour of other stakeholders in the organisational network. The range of this discussion is limited by focusing on how

those leading change overcame a critical incident during which CCT implementation was either resisted or used by other stakeholders for their own purposes.

In Trafford, staff, local councillor and tenant passivity meant that CCT implementation was not resisted, but some staff did use CCT for their own purposes. In August or October 1996, for example, the Area Housing Manager (North) used the opportunity of looser managerial-staff relations, the Management Assistant Director's (1995-7) secondment, to set up initiatives to reduce the number of empty properties in her Area. The Director, though, despite using the review of the client/contractor split to achieve his private agenda of restructuring allocations and repairs, was still aware of local operations and resisted the Area Housing Manager's initiatives. (Area Housing Manager [North].)

In contrast, in Westminster, CCT implementation was resisted. The Paddington Green residents decided to reappoint Westminster Management Services (WMS), the in-house public sector contractor, as their service provider in the second CCT round. The Conservative local councillors, through the Contracts Committee, overruled the Paddington Green residents' decision by appointing Pinnacle, the external private sector contractor.

The data from the case study work suggests that in local authority housing implementation capacity may contain three elements. First, implementation capacity is associated with locale (Pettigrew, Ferlie and McKee, 1992) – local actors attempted to influence CCT implementation and, in turn, their actions were reversed by top-down interventions. Second, both the local actors and those leading change mobilised their available skills and resources to influence change (Greenwood and Hinings,

1996). Third and last, all members of staff have a role in change, not just those at the top of the hierarchy (Pettigrew, Ferlie and McKee, 1992).

Ideological vision

Ideological vision critically reflects on the strategic decisions being made by evaluating their purpose. This is because ideological vision recognises that a strategic agenda may arise from the interests of a definite group within an organisation and that, in this research, the group may represent one or more NPM types, managerial ideologies and citizenship concepts.

In Trafford, the Director adopted the resistant strategy because he was cautious about implementing CCT. He wanted to learn from the experience of other local housing authorities. In contrast, in Westminster, the Conservative local councillors adopted the accelerated strategy because since the 1970s they have pursued privatisation and gentrification. CCT was the 1990s expression of the privatisation and gentrification agenda.

As a consequence, Trafford and Westminster are at the opposite ends of the CCT spectrum. Trafford is the Conservative low change non-receptive context for CCT, whilst Westminster is the Conservative high change receptive context for CCT. Trafford, however, is also the Conservative low change context for NPM type 2 and Westminster is the high change context for NPM type 2.

CCT implementation is linked to the NPM because it is one key stream of NPM strategic activity. CCT implementation was selected by using the NPM literature review and the results of the first and main mapping study. The NPM literature

review identified theoretical and empirical reasons for selecting CCT implementation. Theoretically, the review indicated that the private sector is playing an important role in public service organisation and management and in local government CCT facilitates private sector participation (Wilson and Doig, 1995). Empirically, the review found that council housing management is one of the two oldest welfare privatisations (Flynn, 1997). By selecting council housing management as the focus of this research, it meant that an assessment of CCT should be made (Stewart, 1995).

The first and main mapping study found that NPM type 2 maps NPM variation. Having found this pattern, a type 2 strategic activity was selected for interviewees to comment on. CCT implementation was selected because it is rooted in the broader principles of privatisation embraced by the Conservative government since 1979 (Rao and Young, 1995).

Linking CCT implementation to the NPM means that the actions of the Director in Trafford and the Conservative local councillors in Westminster can be associated with a managerial ideology and a citizenship concept. In the definition of this category it was noted that each NPM type symbolises a managerial ideology (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) and NPM types 2 and 4 symbolise citizenship concepts.

Because Trafford is the Conservative low change non-receptive context for CCT and NPM type 2, it is disassociated with how the researcher has defined NPM type 2. NPM type 2 captures the current fashion within the private and public sectors to downsize and outsource (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). It also captures the

service user as customer position which assumes that users can choose between competing service providers (Waldegrave, 1993; Hoover and Plant, 1989 and Saunders, 1993). This is management by contract.

In contrast, because Westminster is the high change receptive context for CCT and NPM type 2, it is associated with how the researcher has defined NPM type 2. Indeed, the new Director accelerated CCT implementation because his vision was to promote externalisation through downsizing and outsourcing.

The actions of the Director in Trafford and the Conservative local councillors in Westminster can be associated with another managerial ideology. In the conclusions of the Trafford (Chapter Six, pp 254-7) and Westminster (Chapter Seven, pp 318-22) case studies, it was argued that there is the coexistence of two management systems – public service management is located between management by contract and management by hierarchy (Kickert, 1997). In this chapter management by hierarchy has been referred to as management by command control – they are linked because they are both concerned with discipline (Pollitt, 1990, 1993 edition) and top-down decision-making (Whittington, 1993; Ansoff, 1965, 1987 edition and Porter, 1980). This management system, management by command and control or hierarchy, is NPM type 1 because this type symbolises Neo-Taylorism and Taylorism is concerned with discipline (Pollitt, 1990, 1993 edition).

Evidence for this management system has already been discussed. In the discussion about leading change it was noted that in both Trafford and Westminster there was top-down decision-making. In the discussion about institutional politics it was also noted that in Trafford staff, local councillor and tenant passivity was in part generated

by the Director's management style – he managed by command and control as 'the Rottweiler'. The Director's management style may have been part of an in-house (Trafford) management style.

Like Trafford, in Westminster, CCT was in part implemented by an in-house management style – both the Conservative local councillors and the new Director managed by command and control. Shirley Porter exploited her political position and was described as a conviction politician who believed she was never at fault (Hill, 1996c). Although the Director decentralised decision-making and became known as a maverick by his staff because he broke with the Westminster tradition, he exploited his managerial position and ensured that the new form of decision-making was implemented. In the Director's own words, he "imposed" change (Buxton, 1997, p12). It has just been noted that the Director accelerated CCT implementation and promoted externalisation through downsizing and outsourcing – he implemented two major organisational restructurings and five other changes in three years (August 1995-8).

In Trafford, then, NPM type 2 or management by contract is superimposed over NPM type 1 or management by command and control (Marnoch, 1997). In contrast, in Westminster, NPM type 2 is not superimposed over but coexists with NPM type 1. Moreover, management by contract was implemented through management by command and control.

The data from the case study work suggests that in local authority housing ideological vision may contain two elements. First, there is quality and coherence of policy (Pettigrew, Ferlie and McKee, 1992) in the sense that the Director in Trafford and the

Conservative local councillors in Westminster have developed strategic agendas which guide action in their departments (Leach, 1996). The agendas, though, focus on a desired end-state, not existing problems and threats and opportunities (ibid). In Westminster, however, at the Director level, the new Director did focus on existing problems. After his appointment in August 1995 he used Naschold (1996) as a guide to identify one organisational strength, contracting out, and four weaknesses: lack of strategic management, functional division of labour, pronounced hierarchies and governance by rules. (Buxton, 1997.)

Second, the actions of the Director in Trafford and the Conservative local councillors in Westminster can be associated with NPM types, managerial ideologies and citizenship concepts. The case study work in Trafford and Westminster empirically supports the views expressed by the Third Way scholars, those critiquing NPM type 2 (Chapter Two, pp 25-7). These scholars pragmatically emphasise that public service management is located between management by contract and management by hierarchy (Kickert, 1997).

Summarising this discussion, ideological vision is one of four receptivity factors or motors of change at the micro level – the others are leading change, institutional politics and implementation capacity. Because ideological vision is reflexive and critically evaluates the purpose of strategic decisions, it has been emphasised in Figure 8.1 by being highlighted in bold and italics.

Developing the point about reflexivity, ideological vision may identify an organisation's culture. Schein (1983 and 1985) describes culture as the glue which holds the organisation together. More accurately, ideological vision may be the glue

which holds the organisation together. This is because having developed a strategic agenda, like the Director in Trafford and the Conservative local councillors in Westminster, that agenda then guides other action in an organisation.

Johnson and Scholes (1989, 1993 edition) identify the different aspects of an organisation which the strategic agenda can influence: control systems, organisational structures, paradigm (underlying values), power structures, rituals and routines and stories and symbols. Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) two other features (multiple system change and multi-layered change) do not apply at the micro (organisation) level because the features apply at the meso (public service) level – across the system as a whole.

Ideological vision is similar to Johnson and Scholes' (1989, 1993 edition) notion of paradigm. Both notions address the issue of identifying the underlying values of an organisation. As a consequence, paradigm will not be discussed. Organisational structure will also not be discussed because all local housing authorities, unless they are exempt, have, as a result of CCT implementation, split the client from the contractor.

In both Trafford and Westminster the remaining aspects of an organisation which the strategic agenda can influence (control systems, power structures, rituals and routines and stories and symbols) were mobilised in order to successfully implement the agenda. In both Trafford and Westminster, for example, control was mobilised by establishing top-down decision-making, power by controlling the intra-organisation networks between local councillors, staff and tenants and overcoming any challenge to the resistant or the accelerated strategy became ritualised behaviour.

In Westminster, the new Director was perhaps more adept at mobilising symbolism than his counterpart in Trafford. To reinforce the message of breaking with the Westminster tradition of managing by command and control, the Director used himself as a role model by stripping away the trappings of traditional leadership – he gave up his private office with an en suite bathroom (Vice Chairman of the Housing Committee).

These actions are cohered by ideological vision. Ideological vision is enacted through the resistant strategy in Trafford and the accelerated strategy in Westminster. As a consequence, it appears that ideological vision may be the glue which holds an organisation together.

Organisational context and action – linking the macro, meso and micro levels of change

The ten receptivity factors identified in Figure 8.1 will be drawn together by exploring the links between the macro, meso and micro levels of change. In other words, there is an interconnection between organisational context and action. Addressing the interconnection between context and action is consistent with recent developments in generic organisational theory (Greenwood and Hinings, 1996 and Pettigrew, 1997). This approach avoids prioritising either environmental determinism (Powell and Di Maggio, 1991 and Kitchener, 1998) or executive action (Child, 1972). The interconnection between context and action is dynamic because, as has been noted earlier, context is not just a stimulus environment but an arrangement of structures and processes which are interpreted by actors (Pettigrew, 1990). These research findings only reveal some of the links between the three levels of change.

The three sets of receptivity factors at the macro level (party politics, economic, political and social NPM diffusion factors and central government imposition) are the motors of change for the micro level by providing downward pressure to implement CCT. The three sets of receptivity factors provide downward pressure because the government of the day (in this case the Conservatives), in response to its economic, political and social environment, creates a legislative programme (for example, CCT policy formulation) and employs various mechanisms to implement that programme (CCT policy implementation).

The four receptivity factors at the micro level (ideological vision, leading change, institutional politics and implementation capacity) influence how the motors of change from the macro level are responded to. The four receptivity factors shape the conditions which influence whether a local housing authority will be a low change non-receptive context or a high change receptive context for NPM type 2 and CCT. In Trafford, the Director emerged out of the intra-organisation networks as the central protagonist and was able to establish the local housing authority as the Conservative low change non-receptive context. In contrast, in Westminster, the Conservative local councillors emerged as the central protagonists and were able to establish the authority as the high change receptive context for CCT and NPM type 2.

The four receptivity factors at the micro level also create institutional patterns at the meso level. The three receptivity factors at the meso level are political context, geographical location and performance rating. In both mapping studies, for example, Conservative local housing authorities are more likely to be high change receptive contexts for NPM type 2 than Labour authorities.

The three sets of receptivity factors at the macro level are also the motors of change for the meso level by providing downward pressure to tackle specific issues, like breaking up institutional blocks of activity. On 1 April 1986 the Conservative government, for example, abolished the metropolitan level of government because it could be Labour controlled. One aspect of the abolition debate was noted in the Westminster case study (Chapter Seven, p270). It was noted that Shirley Porter was part of the Conservative campaign to abolish the Greater London Council (GLC). In 1986 she led a camel over Westminster bridge to GLC headquarters to protest at escalating rates – the camel carried the straw threatening to break its back.

In addition, the four receptivity factors at the micro level are the motors of and barriers to change for the macro level by providing upward pressure to create new policies, adapt old ones or maintain existing frameworks. One aspect of the policy process was also noted in the Westminster case study (Chapter Seven, pp 263-7). It was noted that in 1972 Westminster was already promoting home ownership. Home ownership was later to be a key Conservative housing policy – the Housing Act 1980 gave council and Registered Social Landlord (housing association) tenants the Right to Buy their home at a subsidised price.

Finally, the three receptivity factors at the meso level are the motors of change for the macro level by reinforcing particular perceptions. Returning to the example of the abolition of the metropolitan level of government, during the 1980s the Conservative perception of Labour local authorities being financially irresponsible was reinforced by high profile personalities like Derek Hatton. Whereas the Conservatives in Westminster promoted home ownership and gentrification, the Labour group in

Liverpool under Derek Hatton's deputy leadership was still building council homes (despite expenditure controls) (Flynn, 1990).

What emerges, then, are ten receptivity factors, grouped into three constellations of activity, one at each of the three levels of change (macro, meso and micro), and they interconnect as motors of and barriers to change. Out of these interconnections, each local housing authority creates its individual identity or signature. Each authority establishes its organisational structures and management systems which can promote the creation of either a high change receptive context or a low change non-receptive context for NPM type 2 and CCT.

Developing the notion of receptivity for change

In the introduction it was noted that receptivity is an emerging notion which reveals the factors which contribute to organisations being either low change non-receptive contexts or high change receptive contexts (Pettigrew, Ferlie and McKee, 1992). In order to develop Pettigrew, Ferlie and McKee's (ibid) notion of receptivity for change, their notion needs to be discussed in more detail.

Pettigrew, Ferlie and McKee (ibid) suggest five "intellectual caveats" about their notion of receptivity (p275). First, there is not a strong academic tradition to build on: "there is not a strong social science tradition of theorizing about receptive context for change." (ibid). Second, there are no patterns of universal causation. Third, "notions of receptivity and non-receptivity are dynamic not static concepts." (ibid, p276). Fourth, receptivity factors are indeterminate in their outcomes and implications. Fifth and last, "our observations may be limited ... [by] our sample"(ibid, p277).

The second and fourth caveats have been discussed in the challenges of explaining change section. The third refers to two processes – there can be movement either from non-receptivity to receptivity or from receptivity to non-receptivity. Change is “cumulative” and “encouraged either by the environment or ‘policy’ changes at higher tiers and by managerial and professional action at local level.” (ibid, p276). Action might include “the removal of key individuals or ill considered or precipitous action.” (ibid). The fifth caveat alludes to receptivity factors being context driven. This research acknowledges the five caveats, especially that there are challenges to explaining change – there is no recipe for shaping strategic change.

Pettigrew, Ferlie and McKee (ibid) reveal eight receptivity factors from their NHS data. The eight receptivity factors are listed in Figure 3.7 (Chapter Three, p87). This research has revealed three differences and one similarity from its local authority housing data.

The first difference between the two sets of receptivity factors is that this research has revealed ten (instead of eight) factors. The second difference is that the ten receptivity factors are associated with three levels of change (instead of the level of change being unspecified). The third and final difference is that because of the local authority housing context, other receptivity work in local government was drawn on (Lewis and Glennerster, 1997), which highlighted the significant role of political context in local government.

The differences between the two sets of receptivity factors may be explained by three reasons: context, the challenges of evaluating change and methodology. First, the two sets of receptivity factors have been drawn from two different contexts: the NHS

and local authority housing. Change may be being shaped differently in the NHS than in local authority housing. In particular, Lewis and Glennerster (ibid) highlight the significant role of political context in local government. In the NHS local councillors play a minor part, if any, in shaping strategic change.

Second, the two sets of receptivity factors both suffer from the challenges of explaining change. In the first section of the chapter it was noted that attempts at explaining general patterns of social change are liable always to remain fairly fragmentary (Giddens, 1991). Three reasons for fragmentation were put forward: having no detailed knowledge of an individual's motivations, there are no patterns of universal causation and the complexity of change.

Examples of fragmentation from this research are the limitations of the triple methodology. In Chapter Four (pp 94-146) thirteen limitations to mapping and two limitations to the case study work have been identified. Focusing on the case study work, fragmentation occurs because access was only granted by the Conservative authorities and obstacles were put up by Trafford and Westminster.

Third and last, the data in this research has been collected by the selection of a triple methodology. The triple methodology refers to the selection of an appropriate research method at three levels of change, the macro, meso and micro levels, to explain variation in NPM diffusion. As a consequence, the ten receptivity factors are associated with three levels of change.

The similarity between the two sets of receptivity factors is in their content. Two of Pettigrew, Ferlie and McKee's (1992) eight NHS receptivity factors are explicitly

found in the local authority housing context: key people leading change and environmental pressure. Leading change has been discussed. Environmental pressure is captured in the local authority housing context by the three sets of receptivity factors at the macro (environment) level.

Four of Pettigrew, Ferlie and McKee's (ibid) eight NHS receptivity factors are used in the definitions of or the discussions about the four receptivity factors at the micro level. Quality and coherence of policy is used in the definition of ideological vision, whilst supportive organisational culture is used in the discussion about ideological vision. Co-operative inter-organisation networks is used in the definition of institutional politics and change agenda and its locale is used in the definition of implementation capacity.

The remaining two of Pettigrew, Ferlie and McKee's (ibid) eight NHS receptivity factors are indirectly found in the local authority housing context: managerial-clinical relations and simplicity and clarity of goals and priorities. Managerial-clinical relations, because of its focus on staff relations, becomes one element of the local authority housing intra-organisation network between local councillors, staff and tenants. Simplicity and clarity of goals and priorities is an aspect of one of the four receptivity factors at the micro level – ideological vision. By adopting a strategy (in Trafford the resistant strategy and in Westminster the accelerated strategy), those leading change (the Director and the Conservative local councillors) are narrowing the change agenda to key priorities.

The similarity between the two sets of receptivity factors may be explained by the idea that although change may be being shaped differently in the NHS than in local

authority housing, nevertheless, similar factors emerge. By similar factors it is meant that despite the context of change (the NHS or local authority housing), the process of change may be similar (there will be key people leading change). Indeed, the five process studies discussed in Chapter Three (pp 82-8) all agreed that leading change is a key receptivity factor to take into account when managing change and a key transformational indicator for knowing that change has been achieved (Walsh and Spencer, 1990; Pettigrew, Ferlie and McKee, 1992; Rao and Young, 1995; Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996 and Lewis and Glennerster, 1997).

Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change has been developed by this research revealing three differences and one similarity from its local authority housing data. Focusing on the three differences, they are: this research has revealed ten (instead of eight) receptivity factors, the ten factors are associated with three levels of change (instead of the level of change being unspecified) and, because of the local authority housing context, the significant role of political context in local government is highlighted (Lewis and Glennester, 1997). The differences may be explained by three reasons: context, the challenges of explaining change and methodology.

Improving understanding about quasi-market development

The secondary purpose of this chapter is to improve understanding about quasi-market development. This purpose is derived from the CCT literature review (Chapter Three, pp 59-93) which raised three critical questions in order to update work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability.

Quasi-market emergence is explicitly linked to the NPM. Quasi-market emergence is part of the process of shifting service delivery from the public to the private sector – a NPM type 2 strategic activity (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). The changing patterns of public service work and the challenge to accountability are implicitly linked to the NPM. Because of quasi-market emergence, the pattern of public service work is changing (Wilson, 1995) and it has also been suggested that there is a challenge to accountability in government and to service users (Rao and Young, 1995; Stewart, 1995 and Walsh, 1995). Understanding about quasi-market development will be improved by comparing the results of the case study work.

Quasi-market emergence

In Chapter Three (pp 71-3) it was noted that despite the shift of service delivery from the public to the private sector, there is a lack of definitive evidence about quasi-market emergence (Le Grand and Bartlett, 1993a; ESRC, 1994 and Wilson, 1995). Quasi-market emergence is subdivided into three areas: mapping, process and new organisational forms.

Although this research has already mapped and explained variation in NPM diffusion, an alternative and longitudinal method of mapping NPM type 2 is to tabulate Bartlett and Le Grand's (1993) conditions for quasi-market success and criteria for evaluation. This enables their social housing data (Le Grand and Bartlett, 1993b) to be compared with this research's data. Figure 8.2 compares the data.

Figure 8.2: Variation in NPM type 2 diffusion

Conditions For Success+ Criteria For Evaluation	Le Grand+ Bartlett (1993b)	Trafford (1997)	Westminster (1998)	
			WMS	Pinnacle
Market Structure	Yes	Yes	Yes	Yes
Information: -client -contractor	Yes	No Yes	Yes Yes	Yes Yes
Transaction Costs +Uncertainty	No	Yes	Yes	Yes
Motivation: -client -contractor	? ?	No Yes	No Yes	Yes Yes
Cream-Skimming	Yes	Yes	Yes (phase 1) Reduced (phase 2)	
Efficiency: -allocative -productive	Yes	Progress Yes	Progress Yes	Yes Yes
Responsive	Yes	Progress	Progress	Yes
Choice	Yes	No	No	Yes
Equity	No	No	No	Yes

Figure 8.2 compares the data by listing Bartlett and Le Grand's (1993) indicators and by presenting their data (Le Grand and Bartlett, 1993b) and this research's data chronologically (1993-8). The CCT literature review discusses Bartlett and Le Grand's (1993) indicators (Chapter Three, pp 65-7) and their data (Le Grand and Bartlett, 1993b) (Chapter Three, pp 71-3).

Before discussing the interpretation of the figure, it is important to discuss its computation. Market structure has been created in Trafford and Westminster by CCT implementation – the client/contractor split. There is contractor information in both local housing authorities because in splitting the client from the contractor, service costs have been clarified. As a consequence of increased financial transparency, in both authorities, transaction costs and uncertainty have been kept to a minimum, there is contractor motivation because staff are motivated by financial considerations and there is productive efficiency because output is produced at minimum cost.

Although there is client information in Westminster, this is an issue for development in Trafford. In Westminster, WMS and Pinnacle are locked into Westminster's sophisticated internal market structure which compares contractor performance to enhance quality of service. In contrast, in Trafford, the appointment of temporary staff raised the issue of staff not having the appropriate knowledge to do the job. Tenants in the Altrincham Area, for example, complained about the temporary staff having a lack of knowledge. (Assistant Area Housing Manager [West].)

Similarly, although there is client motivation in Pinnacle, this is an issue for development in WMS and Trafford. The Pinnacle Estate Director (Churchill Gardens) clearly states that Pinnacle is motivated by service user interests: "our best reference is actually the residents because if the residents say we are crap then we won't get on any tender lists". In contrast, the WMS Manager states: "We are trying to secure a future for the staff". In Trafford, the Director, for example, Chaired the Tenants' Forum to manage its agenda.

Cream-skimming takes place in Trafford and Westminster because homes are being sold. Cream-skimming negates choice and equity as local housing authorities become residual providers – authorities increasingly provide for those in poverty (Forrest and Murie, 1988; Bramley, 1993 and Fitzgeorge-Butler and Williams, 1995). In contrast, Pinnacle, because its staff are highly motivated by service user interests, seems to offer user choice and equity.

The motivation of Pinnacle's staff means that it provides allocative efficiency (outputs being consistent with consumer preferences) and responsiveness. There are encouraging signs of allocative efficiency and responsiveness in Trafford and WMS

because, despite their lack of motivation by service user interests, the quality of the repairs service has become a high profile issue in both organisations.

The data in Figure 8.2 reveals three trends: there is further evidence of variation in NPM type 2 diffusion, the in-house public sector contractors essentially share the same characteristics and a quasi-market is still emerging. First, even using Bartlett and Le Grand's (1993) indicators there is further evidence of variation in NPM type 2 diffusion. This is revealed by the indicators giving results which vary over time and in space. They vary over time because there is longitudinal change. In 1993 Le Grand and Bartlett (1993b) found that social housing did not satisfy all the indicators, whilst in 1998 Pinnacle did. The results vary in space because the results for Trafford and WMS contrast with the results for Pinnacle. Trafford and WMS did not satisfy all the indicators, whilst Pinnacle did.

Second, the in-house public sector contractors essentially share the same characteristics – they are motivated by contractual not client needs (Rao and Young, 1995). This means that although there is progress towards allocative efficiency and responsiveness (the quality of the repairs service has become a high profile issue), it is generally symbolic. Indeed, cream-skimming negates choice and equity as local housing authorities increasingly provide for those in poverty (Forrest and Murie, 1988; Bramley, 1993 and Fitzgeorge-Butler and Williams, 1995). The one difference between these contractors is client information because WMS is locked into Westminster's sophisticated internal market structure which compares contractor performance.

Third and last, a quasi-market is still emerging – the case study work was completed after the election in 1997 of Tony Blair's New Labour government. The client/contractor split is creating market structure and increased financial transparency is minimising transaction costs and uncertainty, improving contractor information and motivation and maximising productive efficiency.

The ESRC's 'Functioning of Markets Research Programme' revealed that even if a public service starts off with a lot of competition, after a few years it settles down to a cartel between the purchaser and provider (Le Grand and Bartlett, 1993a and ESRC, 1994). Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) empirical work in the NHS and education reveals relational, socially embedded and institutionally embedded markets.

In terms of a relational market, these research findings also indicate that a few powerful clients negotiate with a few powerful contractors founded on trust, reputation and data. In Westminster, the Head of Client Services believes that three contractors is "the ideal position for us."

In terms of a socially embedded market, the NHS and education data indicate that there is staff continuity and stability at the top of the organisational hierarchy, whilst these research findings indicate the opposite – there is still an elite, but a changing elite through the process of personnel change.

In terms of an institutionally embedded market, the NHS, education and Trafford data indicate that decision-making about CCT implementation is top-down, whilst the Westminster data indicates that it could be delegated to middle management. In

Westminster, in January 1998 the Head of Client Services was appointed to assist the Director in his consolidation of the shift to liberalisation by promoting externalisation, by moving from prescriptive CCT to loosened externalisation. Externalisation mixes CCT with joint ventures and partnership to establish a fluidity in existing and future contract design. It can, however, be compromised – the Contracts Committee (consisting of Conservative local councillors) overruled the Paddington Green residents' decision to reappoint WMS in the second CCT round by appointing Pinnacle.

These research findings confirm that there are organisational hybrids (Mackintosh, Jarvis and Heery, 1994) and there is organisational variety (Lowndes, 1997) within public service organisation and management. The first and main mapping study, for example, revealed that the NPM types, especially NPM type 2, vary between and within the local housing authorities.

The question about at what point does political regulation of the market essentially become planning (Ranade and Appleby, 1989) is not answered by the case study work. In Westminster, because the Conservative local councillors adopted the accelerated strategy for CCT implementation, it might be expected that there would be market creation and not contract negotiation (Mackintosh, 1993). The Head of Client Services, however, “want[s] to allow contractors to be able to tell me what they can deliver.” The Head of Client Services is, though, being challenged by Conservative local councillors who oppose his partnership approach to contract design – they want tougher monitoring. The tougher line is also evident at the macro level and not limited by political context – the New Labour government has appointed

a “NEW rail regulator ... to be tough on underperforming rail companies” (Fletcher, 1999).

Changing patterns of public service work

In Chapter Three (pp 74-6) it was noted that because of quasi-market emergence or the shift of service delivery from the public to the private sector, the pattern of public service work is changing. There is increasing evidence that there are cost reductions but at the price of worsening working conditions and the risk of reducing quality of service. The picture is complicated by there being variations in calculations about the level of cost reduction and in working conditions. (Wilson, 1995.) Changing patterns of public service work is subdivided into three areas: cost, working conditions and quality of service.

There are variations in calculations about the level of cost reduction between and within local government (ibid). This research has little direct cost reduction data. In Westminster Buxton (1997) observes that “significant cost savings” (p12) have been achieved as a consequence of staff reduction. This research, however, has indirect data and it also indicates that there are variations in calculations about the level of cost reduction within local government. In both Trafford and Westminster there is staff reduction. In Trafford, overall figures vary between 25-50% and temporary staff, not part-time staff (Hartley, 1987), were used to fill the vacancies. In Westminster, the overall figure is 23% (one-hundred-and-fifty out of six-hundred-and-fifty staff lost their jobs), with senior and middle managers and support staff taking the brunt.

There are variations in working conditions by features such as staff reduction, the increase in part-time staff, pay reduction and the increase in hours worked being offset by other features such as improved efficiency, greater productivity of labour and vehicles, better organisation and more modern equipment (Wilson, 1995).

There is little data about the second set of features. Better organisation is referred to in the role (organisation) change section and improved labour efficiency is referred to in the assessment of quality of service, both below, but more modern equipment is not discussed.

There is more data about first set of features. Staff reduction and the increase in part-time staff have just been discussed. Pay reduction and the increase in hours worked will be discussed. These research findings indicate that there are two other important features – one is related to staffing, personnel change, whilst the other is new, role (organisation) change. These two features are important because role change is explicitly linked by staff to morale and high staff turnover may indicate low staff morale.

In terms of pay reduction, these research findings indicate that in Trafford there is a pay reduction, though it is more a pay squeeze, whilst there is no data from the Westminster case study. In Trafford, the Director of Personnel and Management Services agreed to generic working, but with the condition that staff are employed at a lesser cost. The Department of Housing traditionally operates at a low cost – “we had fewer senior officers compared to other L.A.s.” (Director).

In terms of the increase in hours worked, these research findings indicate that in Westminster there is an increase in hours worked, whilst there is no data from the Trafford case study. In Westminster, the Pinnacle Repairs Manager (Churchill Gardens) has increased his hours worked – “getting up at 5.30 to go home when there is still work on your desk, you cannot do it anymore.”

These research findings indicate that there are two other important features: personnel change and role (organisation) change. Role change is important because it is explicitly linked by staff to morale. Role change is underdeveloped in the literature, often referred to as “cuts in ... conditions” (Painter, 1991, p208). Painter (ibid) notes that “[it is] women workers who bear the brunt” (ibid). There are ten role changes: change anxiety, increased pressure, competing priorities, staff change, lack of support, role confusion, more responsibility, heavier workload, great expectations and improved communication. In general, in Trafford role change lowered morale, whilst in Westminster it increased morale.

In general, in Trafford, role change lowered morale (Assistant Area Housing Manager [West], Area Housing Manager [North] and Director). In 1994 staff were already feeling the anxiety of change and asked for the Management Assistant Director (-1995) to be seconded to concentrate on CCT preparation and to have a dummy run for twelve months at operating the client/contractor split – they partially succeeded in the first, but not the second (Assistant Area Housing Manager [West]).

By 1995 anxiety was turning into pressure as staff were meeting the competing priorities of CCT preparation and the introduction of the Tenants’ Charter (DoE,

1995), which emphasised meeting performance indicators (Assistant Area Housing Manager [West]).

But by 1996 the pressure had intensified in three ways, there was: staff reduction, staff change and a lack of senior manager support. Staff reduction has been discussed. Staff change refers to the use of secondments or the transfer of staff between teams within the department. This triggered a domino effect which led to the lack of senior manager support. (Area Housing Manager [North].)

Between 1996 and 1997 role confusion was caused by delayed decision-making. In particular, the delay in submitting a restructuring report antagonised staff and delayed staff recruitment, which meant that when the contract started staff had not been recruited for the new structure, the staff that were in post had not been relocated and the staff that were in post and who had been relocated lacked support. The Director described the situation as a shambles.

In general, in Westminster role change increased morale though the Pinnacle Repairs Manager (Churchill Gardens) is more positive about the new managerial practices than the WMS Housing Officer (Church Street). Their views were sought because of the staff in their offices they have worked the longest. The Repairs Manager identifies two fundamental changes – the first tempers more responsibility with a heavier workload, whilst the second tempers wanting to meet stakeholder expectations with increased pressure and stress. The Housing Officer identifies the same changes but is less positive only tempering them with an improved formal communication structure. As a consequence, she concludes that there are competing priorities.

These research findings also indicate personnel change. High staff turnover is important because it may indicate low staff morale. Personnel change differs from staff change because staff change refers to the use of secondments, whilst personnel change refers to staff leaving an organisation. In Trafford, personnel change occurred when there were conflicts about CCT implementation. In Westminster, at the contractor level although staff numbers remain about the same in the Church Street and Churchill Gardens offices pre and post the last CCT round, there is much personnel change in both offices. The Church Street office has ten staff, having lost one or two residential staff, but only four are original; whilst the Churchill Gardens office has nine, having lost none, but only two are original.

Figure 8.3 summarises the discussion about working conditions.

Figure 8.3: Working conditions – comparing the CCT literature review's and this research's data

Feature	CCT Literature Review	This Research		
		Trafford	Westminster	
			WMS	Pinnacle
Staff Numbers	Reduction	Reduction	Reduction	
Staff Type	More part-time	More temporary		
Pay	Reduction	Squeeze		
Hours Worked	Increased			Increased
Role (Organisation) Change	Underdeveloped, but women bear the brunt	-Change anxiety -Increased pressure -Competing priorities -Staff change -Lack of support -Role confusion	WMS+Pinnacle: -more responsibility -heavier workload -great expectations -increased pressure WMS: -improved communication -competing priorities	
Morale		Low	High	
Personnel Change		Some	Much	Much

Figure 8.3 summarises the discussion about working conditions by comparing the CCT literature review's and this research's data. It notes variations in staff numbers, staff type, pay, hours worked, role (organisation) change, morale and personnel change. In general, there are worsening working conditions, but in Westminster there is also high morale. It is unclear why there should be high morale in Westminster and low morale in Trafford. The explanation may be linked to a statement made by the WMS Business Development Manager who observed that there is "continuous and constant change" in Westminster. In other words, staff are used to and expect change.

The third and last area to be discussed in this section about the changing patterns of public service work is quality of service. Various studies link pay reduction and lower fringe benefits to lower standards of service delivery (Ganley and Grahl, 1988; Enforced Tendering Team, 1989 and Local Government Information Unit, 1994).

These research findings also indicate that there is the risk of reducing quality of service because of the changing patterns of public service work. In Trafford, temporary staff did not have the appropriate knowledge to do the job which led to complaints. In contrast, in Westminster, performance is improving in all the major problem areas like asylum seekers and the homeless. In addition, fraud is being exposed and there is high morale – an infused motivated and efficiency.

Challenge to accountability

In Chapter Three (pp 76-81) it was noted that because of quasi-market emergence or the shift of service delivery from the public to the private sector, there is a challenge to accountability at two levels. There is a challenge to accountability in government

(Walsh, 1995; Rao and Young, 1995 and Stewart, 1995) and a challenge to accountability to service users (Walsh, 1995).

Accountability in government

The picture is complicated by there being variations in the form of policy separation between and within local government. In Chapter Two (pp 22-4) policy separation is defined as dividing policy formulation and implementation at the politician/senior manager interface to allow for the introduction of private sector finance, provision and regulation. These research findings indicate that there are variations in the form of policy separation or the client/contractor split within local government.

Before discussing the variations in the form of policy separation, these research findings indicate an important similarity in the form of the client/contractor split. In Trafford and Westminster, instead of the client/contractor split taking place at the politician/senior manager interface, it has taken place at the senior/middle manager interface.

Data from the Local Government Management Board (1992) indicates that local councillors are most closely involved in developing policy, setting standards and letting contracts and least involved in specifying contracts, evaluating bids and monitoring contracts. In Trafford Conservative local councillors essentially opted out of all six activities, whilst in Westminster they opted into all six. The Westminster data supports the view that that local councillors are most closely involved in CCT policy formulation and implementation in the London boroughs (ibid). It also confirms two out of Rao and Young's (1995) three explanations for local councillor close involvement – they wish to feel in control of service provision (but not just in

Labour authorities) and are committed to their priorities, but they do not necessarily feel vulnerable to public criticism.

The challenge to traditional approaches of accountability in government is significant because key issues remain unresolved. One example is to link a lack of political control, derived from policy separation, to the creation of fragmented structures which make it more difficult for local councillors to take a corporate strategic view. (Walsh, 1995; Rao and Young, 1995 and Stewart, 1995.) This example is consistent with the views expressed by some of the scholars critiquing NPM type 2 (Chapter Two, pp 25-7), who go further and argue that there is a need to redefine the lines of accountability (Barberis, 1998 and Elcock, 1998).

The Trafford data indicates fragmentation, whilst the Westminster data indicates the opposite. In Trafford, local councillor passivity was one of the factors which enabled the Director to delay CCT implementation. In Westminster, the Conservative local councillors formulate policies around the themes of privatisation and gentrification and staff then implement those policies. In both cases this is not because of policy separation but the four receptivity factors at the micro level.

As a consequence, these research findings disagree with Walsh's (1995) and Stewart's (1995) conclusions that there is a decline in the role of intermediary political levels and the consequent concentration of power in the hands of central government politicians. Instead, these research findings indicate political control and accountability at the micro level, if local councillors wanted it, and processes robust enough to counter the challenge of NPM type 2.

Accountability to service users

Unlike the political role, the service user role is ambiguous – they may or may not be organised and represented in the policy formulation process (Malpass and Murie, 1982, 1994 edition). The introduction of CCT has not clarified the issue of accountability to service users in local government and relatively little has been done to create the institutions that would make possible effective democratic control (Walsh, 1995).

These research findings indicate that in *local government relatively little has been* done to create democratic institutions. At the service user level, in both Trafford and Westminster, users are essentially passive because relations are conditioned by the Director and the Conservative local councillors to control CCT implementation. In Westminster, however, at the local level, Churchill Garden's residents are proactive because they have a long tradition of inclusion and proactivity – a tenants' association was established in the 1950s. As a consequence, these research findings indicate that "Right now there is too much participation with too little effect." (Carley, 1999, p13). Just as it is still left to Stewart (for example, 1995) to consistently argue the case for community government at the theoretical level, it is also left to others, including local councillors and staff, to create real democratic institutions at the empirical level.

The diverse issues discussed in this section, quasi-market emergence, the changing patterns of public service work and the challenge to accountability, will be summarised in the next section.

Concluding remarks

This chapter has focused on one of the three contemporary themes – variation. It has explained variation in NPM diffusion, its primary purpose, and improved understanding about quasi-market development, its secondary purpose. In other words, the reasons for there being different tracks of change have been explored. This has been achieved by returning to the debates highlighted in Chapter Three (pp 59-93).

Explaining variation in NPM diffusion has been achieved by briefly discussing the challenges of explaining change and by developing Pettigrew, Ferlie and McKee's (1992) notion of receptivity for change. Receptivity factors have been revealed by drawing inductively from the NPM and CCT literature reviews, the two mapping studies and the case study work. Improving understanding about quasi-market development has been achieved by updating work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability. Work on the three issues has been updated by comparing the results of the case study work.

Taking explaining variation in NPM diffusion first, Figure 8.1 has identified ten receptivity factors for organisational change. The ten receptivity factors are grouped into three constellations of activity, one at three levels of change (macro, meso and micro). There are three sets of receptivity factors at the macro level: party politics, economic, political and social NPM diffusion factors and central government imposition. There are three receptivity factors at the meso level: political context, geographical location and performance rating. There are four receptivity factors at the micro level: ideological vision, leading change, institutional politics and implementation capacity.

The receptivity factors interconnect as motors of and barriers to change. They interconnect both between and within the three levels of change. Out of these interconnections, each local housing authority creates its individual identity or signature. Each authority establishes its organisational structures and management systems which can promote the creation of either a high change receptive context or a low change non-receptive context for NPM type 2 and CCT.

Pettigrew, Ferlie and McKee's (ibid) notion of receptivity for change has been developed by this research revealing three differences and one similarity. The three differences are: this research has revealed ten (instead of eight) receptivity factors, the ten factors are associated with three levels of change (instead of the level of change being unspecified) and, because this research has used the local authority housing context, the significant role of political context in local government is highlighted (Lewis and Glennester, 1997).

The differences between the two sets of receptivity factors may be explained by three reasons: context (comparing the NHS with local authority housing), the challenges of explaining change (explanations are liable to be partial [Giddens, 1991]) and methodology (the researcher's triple methodology promoted a multi-level analysis).

The similarity between the two sets of receptivity factors is in their content. All of Pettigrew, Ferlie and McKee's (1992) eight NHS receptivity factors are represented either explicitly or indirectly in the local authority housing context. The similarity may be explained by the idea that although change may be being shaped differently in

the NHS than in local authority housing, nevertheless, similar factors emerge, notably, leading change.

Turning to improving understanding about quasi-market development, because of quasi-market emergence or the shift of service delivery from the public to the private sector, the pattern of public service work is changing (Wilson, 1995). It has also been suggested that there is a challenge to accountability in government (Walsh, 1995; Rao and Young, 1995 and Stewart, 1995) and a challenge to accountability to service users (Walsh, 1995).

In terms of quasi-market emergence, by taking an alternative and longitudinal method of mapping NPM type 2, tabulating Bartlett and Le Grand's (1993) conditions for quasi-market success and criteria for evaluation, it became clearer that a quasi-market is still emerging. A quasi-market is still emerging because the case study work, which describes and analyses CCT implementation, was completed after the election in 1997 of Tony Blair's New Labour government.

In terms of the changing patterns of public service work, these research findings confirm that there are cost reductions, staff reductions, a pay squeeze, an increase in hours worked and the risk of reducing quality of service (Wilson, 1995). These research findings also indicate that there is the increase in temporary staff and not part-time staff (as suggested by Hartley, 1987). In addition, these research findings indicate that there are two other important features – one is related to staffing, personnel change, whilst the other is new, role (organisation) change. These two features are important because role change is explicitly linked by staff to morale and high staff turnover may indicate low staff morale.

In terms of the challenge to accountability, these research findings disagree with Walsh (1995) and Stewart (1995) by indicating political control and accountability at the micro level, if local councillors wanted it, and processes robust enough to counter the challenge of NPM type 2. These research findings also indicate that there is too much participation with too little effect (Carley, 1999).

The next and last chapter (Nine) will continue the discussion about the contributions of this research by summarising the conceptual, methodological and empirical contributions of this research.

CHAPTER 9

CONCLUSION

“O Captain! my Captain! our fearful trip is done,
The ship has weathered every rack, the prize we sought is won,
The port is near, the bells I hear, the people all exulting.”

Walt Whitman: O Captain! my Captain!

Introduction

The purpose of this chapter is to summarise the conceptual, methodological and empirical contributions of this research. In other words, using Walt Whitman’s metaphor, the fearful trip of the research process is nearly done and the answers to all eleven critical questions need to be brought together. The chapter is divided into five sections. First, it will reintroduce the central theme of this research – characterising, mapping and explaining the rise and rise of the NPM. Second, it will summarise the research themes and the critical questions. Third, it will summarise the conceptual, methodological and empirical contributions of this research by bringing together the answers to the critical questions. Fourth, as a counterbalance to the contributions, the limitations of this research will be discussed. Fifth and last, the contributions will be used to identify seven recommendations for future research.

Reintroducing the central theme of this research – characterising, mapping and explaining the rise and rise of the NPM

This research has interconnected three contemporary themes: governance, variation and continuity. Governance concerns how a key body of institutions, the welfare state, transforms “flagrantly unjust pasts into discernibly juster futures.” (Dunn, 1999, p25).

Governance, however, can be delivered in a variety of ways. Variation exists because there are many possible organisational patterns of production and distribution (Bonner, 1986). Although governance can be delivered in a variety of ways, there is also some continuity of existing organisational structures and management systems. Continuity indicates an alteration to an old institution or system (Williams, 1976, 1988 edition).

The three contemporary themes are related to the central theme of this research because since the 1970s a variety of changes have taken place in public service organisation and management. There is a struggle over how justice is defined – it is less a matter of redistributing others' wealth (Rawls, 1971) and more a matter of creating individual wealth (Hayek, 1967). Some organisations are low change non-receptive contexts, whilst others are high change receptive contexts for the new ideas (Hayek's [ibid] promotion of the individual and the market economy). Trafford is an example of a low change context, whilst Westminster is an example of a high change context.

In response to the variety of changes that have taken place in public service organisation and management, Hood (1991) made one of the first references to a new phrase, the NPM, to label the changes. The central theme of this research, then, has been to characterise, map and explain the rise and rise of the NPM. Contained within the theme are five key issues: systematising NPM understanding, linking NPM characterisation to mapping and explaining NPM diffusion, improving understanding about quasi-market development, critically evaluating the NPM's impact and testing generalisability.

In addressing the five key issues, this research overcame the central problem of the NPM – its characterisation, especially at the theoretical level of analysis. In Chapter Two (p16 and pp 55-6) it was noted that different NPM typologies have arisen in which different NPM types may have taken on a spurious concreteness. By this it is meant that scholars presuppose that the NPM exists and that their typologies have real meaning and empirical significance. Such presupposition may be accurate, but caution is needed and further empirical research required. This research has followed Barberis' (1998) advice and looked at the sharp end – the NPM in practice.

Research themes and critical questions

In order to look at the NPM in practice, the NPM and CCT literature reviews identified four research themes and eleven critical questions. The themes and questions will be summarised. In summarising the questions, some of their answers are signalled and these answers will be developed in the next section.

The first research theme and critical questions one to four directly addressed the central theme of this research. They tested the presupposition that the NPM exists and that the NPM has real meaning and empirical significance. In other words, the NPM was characterised, mapped and its rise and rise explained. This was achieved by developing a NPM typology with indicators which was then tested empirically.

The second research theme and critical questions five to seven developed the argument by focusing on the NPM typology. Before discussing the theme and questions, two assumptions need to be made clear.

First, in constructing the NPM typology the researcher has assumed that the NPM can be interpreted as the fall and rise of managerial ideologies (Child, 1969; Barley and Kunda, 1992 and Grint, 1997) and the fall and rise of citizenship concepts (Faulks, 1998). Each NPM type symbolises a managerial ideology (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996), NPM types 2 and 4 symbolise citizenship concepts and together they symbolise the existence of multiple ideal types (Doty and Glick, 1994).

Second, existing social theory interprets the process of organisational life as a dynamic and constant struggle between networks of members which represent different managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992).

Founded on the two assumptions, the NPM typology was used to show that different NPM types, managerial ideologies and citizenship concepts seem to be in struggle. This was achieved by linking the NPM types to managerial ideologies and citizenship concepts and by mapping and explaining the dynamics of their diffusion.

The third research theme and critical question eight developed the argument further by focusing on the implications of showing that different NPM types, managerial ideologies and citizenship concepts seem to be in struggle.

The implications contribute to a debate about models of patterns of change. There is a continuing debate within generic organisational theory about whether organisations vary

(Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) or whether they are similar (Powell and Di Maggio, 1991 and Kitchener, 1998). This debate directly addresses one of the three contemporary themes – variation.

The debate is contributed to by empirically revealing that there is variation in public service organisation and management. This was achieved at the meso (public service) level through two mapping studies which mapped and in part explained variation in NPM diffusion. The results of the two mapping studies were confirmed at the micro (organisation) level by the case study work which demonstrated variation even in two Conservative authorities.

The fourth and last research theme and critical questions nine to eleven returned to the central theme of this research – the NPM. The NPM literature review (Chapter Two, pp 15-58) and the CCT literature review (Chapter Three, pp 59-93) indicated that the private sector is playing an important role in public service organisation and management, especially through the introduction of private sector finance, provision and regulation (Salter, 1998 and Rothstein, 1998). Understanding about quasi-market development was improved by addressing three specific issues: quasi-market emergence, the changing patterns of public service work and the challenge to accountability. This was achieved by comparing the results of the case study work.

Conceptual, methodological and empirical contributions

The conceptual, methodological and empirical contributions of this research will be summarised by bringing together the answers to the critical questions. The contributions

will be summarised in the order that they appeared in the thesis. The conceptual contribution started the process of systematising NPM understanding and the process of NPM theory-building by classifying existing NPM work. The methodological contributions continued the process of systematising the NPM by developing the NPM typology which characterised the NPM. The empirical contributions revealed that the NPM exists and mapped and explained variation in its diffusion.

Conceptual contribution

There is one conceptual contribution – classifying existing NPM work. This contribution is derived from the NPM literature review (Chapter Two, pp 15-58). The review started the process of systematising NPM understanding and the process of NPM theory-building. This was achieved by reviewing the NPM literature to classify existing NPM work. This was conceptual ‘groundclearing’.

The researcher concluded that much of the NPM literature reviewed in Chapter Two took the form of description and interpretation rather than analysis and empirical study. Ferlie, Ashburner, Fitzgerald and Pettigrew’s (1996) NPM characterisation stood out – it is comprehensive (capturing the variety of welfare ideas associated with the NPM), theoretically highly developed and empirically tested (in the NHS and education) and comparative (using more than one case study). It was noted that even their NPM characterisation has a weakness – the comparative element, although explicit, is not presented accessibly. It was also noted that it is surprising that only Walker (1998) examines empirically their NPM characterisation.

The NPM literature review also located the origins and tracked the diffusion of the NPM – its rise and rise. Where possible, an international perspective was taken. In locating the origins and tracking the diffusion of the NPM, the researcher developed three notions: the pre NPM phase, the Old Public Management (Old PM) and proto-NPM. These notions are important because existing discourse does not adequately facilitate discussion of the NPM's origins, indeed, it prevents discussion by locking discussants into a set of rehearsed ideas (public administration theory) which inhibits new thinking (the longitudinal and previously untracked emergence of the NPM). The notions emphasise that in the pre NPM phase there was also a variety of welfare ideas and that there is change over time.

In more detail, in the pre NPM and NPM phases governance was delivered in a variety of ways. In the pre NPM phase two Old PM types were identified: traditional public administration, which is distinct from the NPM, and proto-NPM, which is the emergent NPM. In the NPM phase different NPM typologies arose which include public administration. In tracking the development from the pre NPM phase to the NPM phase and the development from the Old PM to the NPM, it is clear that there is continuity of both public administration and the NPM.

Methodological contributions

There are three methodological contributions: developing the NPM typology, using discourse to empirically map and explain variation in NPM diffusion and addressing the interplay of organisational context and action through the triple methodology.

First, developing the NPM typology is innovative because it continued the process of systematising NPM understanding and the process of NPM theory-building. The NPM typology theoretically develops Ferlie, Ashburner, Fitzgerald and Pettigrew's (1996) NPM characterisation and tests it empirically. It is the use of NPM indicators which develops their work because they enable the NPM to be counted, mapped and explained.

Second, using discourse to empirically map and explain variation in NPM diffusion is novel because discourse is an underdeveloped research method within generic organisational theory, especially as a method for revealing invisible ideas maps. Because this method is novel the significance of discourse has been discussed in Chapter Four (pp 107-9). Further, the second mapping study, which used five key word indicators, had a supporting role to the first and main study, which used the NPM typology.

The implication of using discourse to reveal invisible ideas maps is that discourse has been a strategy for shaping strategic change – a process is in operation which has created the ideas map. The second and supporting mapping study suggests two insights into the process of cultural governance (Fairclough, 1999): the role of strategic choice and how strategic exploitation is achieved. The process of cultural governance, like the NPM, is an emerging field of study and needs further research.

Third and last, addressing the interplay of organisational context and action through the triple methodology is consistent with recent developments in generic organisational theory (Greenwood and Hinings, 1996 and Pettigrew, 1997). The triple methodology is an example of the Centre for Creativity, Strategy and Change's recent work. It interconnects

vertically through different levels of society (Pettigrew and Whipp, 1991 and Pettigrew, Ferlie and McKee, 1992) and combines two mapping studies with case study work (Pettigrew, 1997). It differs from the Centre's work in that it specifies three levels of change and selects an appropriate method for each.

Empirical contributions

There are three sets of empirical contributions: those derived from the results of the two mapping studies, those derived from the results of the case study work and the empirical contributions to two other fields of study (social and generic organisational theory). The contributions derived from the results of the two mapping studies and the case study work suggest that the NPM is generalisable.

Contributions derived from the results of the two mapping studies

The two mapping studies directly tested the presupposition that the NPM exists and that the NPM has real meaning and empirical significance. The mapping studies also mapped and in part explained variation in NPM diffusion.

Both mapping studies revealed that the NPM exists and that it varies between and within the twelve local housing authorities in the sample. In the first and main mapping study, there is evidence for all four NPM types in all twelve authorities (there are counts for the NPM indicators) and the concentrations of each NPM type vary both between and within the authorities (the counts converted into percentages vary). The results of the second and supporting mapping study corroborated the first's results.

The two NPM maps, derived from the two mapping studies, are almost identical. The similarity between the two NPM maps should not be confused with the NPM variation that exists between and within the local housing authorities. There are, for example, Conservative low change non-receptive contexts and Conservative high change receptive contexts for NPM type 2. Both mapping studies identified the same authority for each category: the lowest change authority and the highest change authority from the twelve authorities in the sample.

In both mapping studies Westminster is the Conservative high change receptive context, Trafford is the Conservative low change non-receptive context and Coventry is one of Labour's lowest change non-receptive contexts for NPM type 2. The difference between the studies is identifying Labour's highest change receptive context – a definitive Labour high change receptive context has yet to emerge.

The two explanations for the two NPM maps are also almost identical. In both mapping studies the data suggested that variation in NPM diffusion is explained in terms of two receptivity factors: political context and geographical location. The difference between the studies is that the first and main mapping study identifies a third receptivity factor – performance rating.

Both mapping studies also revealed that there is some continuity of existing organisational structures and management systems. This is symbolised by NPM type 4. In the first and main mapping study, NPM type 4 is ranked first in ten of the twelve local housing authorities. In the second and supporting study, the discourse of NPM type 4 (the words

citizen, people and tenant) is still used. The word citizen, however, is only used by three local housing authorities.

Contributions derived from the results of the case study work

The case study work confirmed the results of the two mapping studies by demonstrating variation even in two Conservative authorities, explained variation in NPM diffusion in greater detail and improved understanding about quasi-market development.

The case study work was able to confirm the results of the two mapping studies by linking CCT implementation to the NPM. The link has been discussed regularly throughout the thesis and can be summarised in the following way. CCT implementation is linked to the NPM because it is one key stream of NPM activity. It has been noted that the NPM literature review (Chapter Two, pp 15-58) and the CCT literature review (Chapter Three, pp 59-93) indicated that the private sector is playing an important role in public service organisation and management, especially through the introduction of private sector finance, provision and regulation (Salter, 1998 and Rothstein, 1998). CCT facilitates private sector participation (Wilson and Doig, 1995). The specific link between CCT implementation and the NPM is that CCT is a NPM type 2 strategic activity – both are rooted in the broader principles of privatisation (Rao and Young, 1995).

The case study work confirmed the results of the two mapping studies by demonstrating variation in NPM diffusion even in two Conservative authorities: Trafford and Westminster. Trafford is the low change non-receptive context, whilst Westminster is the high change receptive context for NPM type 2 and CCT.

The case study work explained variation in NPM diffusion in greater detail by going beyond demonstrating variation in Trafford and Westminster to describing and analysing variation in the two local housing authorities. This was achieved by using the 'analytical approach' (Pettigrew, 1986) which argues that there is a continuous interplay between the context of change (the why), the process of change (the how) and the content of change (the what). The what and the why of change will be summarised next, whilst the how will be linked to a discussion about revealing receptivity factors.

In Trafford, the Director adopted the resistant strategy (Trafford only complied with CCT legislation), because he was cautious about implementing CCT. In contrast, in Westminster, the Conservative local councillors adopted the accelerated strategy (Westminster implemented CCT before it was required to by the DoE), because since the 1970s they have pursued privatisation and gentrification. CCT was the 1990s expression of the privatisation and gentrification agenda.

The how or process of change explained variation in NPM diffusion by revealing four receptivity factors. In total, ten receptivity factors for organisational change were revealed (Figure 8.1, Chapter Eight, p327). Because the researcher's choice of research design was the selection of the triple methodology, a multi-level analysis was undertaken. At the macro (environment) level the NPM and CCT literature reviews revealed three receptivity factors: party politics, economic, political and social NPM diffusion factors and central government imposition. At the meso (public service) level the two mapping studies revealed three more receptivity factors: political context, geographical location

and performance rating. At the micro (organisation) level the case study work revealed another four receptivity factors: ideological vision, leading change, institutional politics and implementation capacity.

The receptivity factors interconnect as motors of and barriers to change. They interconnect both between and within the three levels of change (macro, meso and micro). Out of these interconnections, each local housing authority creates its individual identity or signature. Each authority establishes its organisational structures and management systems which can promote the creation of either a high change receptive context or a low change non-receptive context for NPM type 2 and CCT.

In Trafford, for example, the Director was able to adopt the resistant strategy because of staff, local councillor and tenant passivity. In contrast, in Westminster, the Conservative local councillors were able to adopt the accelerated strategy because they appointed a Director who would accelerate CCT implementation and because the most proactive residents in Westminster, those living in Churchill Gardens, supported CCT implementation.

The dynamism of these interconnections, the possibility of creating an individual identity or signature, means that central government imposition can be exaggerated – there is local autonomy (Dearlove, 1973). This does not deny the power of regulatory pressure which is usually clear and reinforced (Dunleavy, 1981 and Hinings and Greenwood, 1988a and b). It is interesting to note that “Both housing associations and local authorities often feel

powerless to influence trends in migration and regional policies, and see their role ‘as agents of government rather than as actors in their own right’.” (New Start, 2000, p9).

This explanation of variation in NPM diffusion has drawn on Pettigrew, Ferlie and McKee’s (1992) notion of receptivity for change. Their notion has been developed by this research, which revealed three differences and one similarity. The first difference is that this research has revealed ten (instead of eight) receptivity factors. Second, the ten receptivity factors are associated with three levels of change (instead of the level of change being unspecified). Third and last, because this research took place in the local authority housing context, the significant role of political context in local government is highlighted (Lewis and Glennester, 1997). The differences may be explained by three reasons: context (comparing the NHS with local authority housing), the challenges of explaining change (explanations are liable to be partial [Giddens, 1991]) and methodology (the researcher’s triple methodology promoted a multi-level analysis).

The similarity between the two sets of receptivity factors is in their content. All of Pettigrew, Ferlie and McKee’s (1992) eight NHS receptivity factors are represented either explicitly or indirectly in the local authority housing context. The similarity may be explained by the idea that although change may be being shaped differently in the NHS than in local authority housing, nevertheless, similar receptivity factors emerge, notably, leading change. Leading change is discussed later as part of the fourth recommendation for future research.

The case study work improved understanding about quasi-market development by addressing three specific issues: quasi-market emergence, the changing patterns of public service work and the challenge to accountability. Quasi-market emergence is explicitly linked to the NPM. Quasi-market emergence is part of the process of shifting service delivery from the public to the private sector – a NPM type 2 strategic activity (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996). The changing patterns of public service work and the challenge to accountability are implicitly linked to the NPM. Because of quasi-market emergence, the pattern of public service work is changing (Wilson, 1995) and it has also been suggested that there is a challenge to accountability in government and to service users (Rao and Young, 1995; Stewart, 1995 and Walsh, 1995).

In terms of quasi-market emergence, it became clearer that a quasi-market is still emerging. A quasi-market is still emerging because the case study work was completed after the election in 1997 of Tony Blair's New Labour government. The quasi-market is set to continue. In Chapter Three (pp 90-1) it was noted that although there is the transition from CCT to Best Value, the transition from compulsory to voluntary competition, it is clear that the principle of competition and, by implication privatisation, persists. The Local Government Act 1999 commits the government to competition and local authorities to diversity in the way in which services are delivered and diversity in their choice of service provider (to be drawn from the public, private and voluntary sectors).

In terms of the changing patterns of public service work, these research findings confirm that there are cost reductions, staff reductions, a pay squeeze, an increase in hours worked and the risk of reducing quality of service (Wilson, 1995). These research findings also indicate that there is the increase in temporary staff and not part-time staff (as suggested by Hartley, 1987). In addition, these research findings indicate that there are two other important features: personnel change and role change. Role change is explicitly linked by staff to morale and high staff turnover may indicate low morale. In general, in Trafford, role change lowered morale, whilst in Westminster it increased morale.

In terms of the challenge to accountability, these research findings disagree with Walsh (1995) and Stewart (1995) by indicating political control and accountability at the micro level, if local councillors wanted it (as did the Conservatives in Westminster), and processes robust enough to counter the challenge of NPM type 2.

These research findings also indicate that there is too much tenant participation with too little effect (Carley, 1999). This is despite in Chapter Four (p110) it being noted that tenant participation is one of the five criteria used by the DETR to rate a local housing authority's performance and to allocate funds during the Housing Improvement Programme (HIP) process. (DoE, 1993a and b.)

Indeed, although in Westminster there were proactive residents, those living in Churchill Gardens, the more typical experience of service users in this research is of having to fight for increased consultation. This experience is exemplified by Walterton and Elgin Community Homes (WECH). In April 1998 WECH took over direct management of

nine-hundred-an-twenty-one homes, but the organisation, led by residents, was founded a decade earlier to stop a Westminster redevelopment scheme. (Rosenberg, 1998.)

Empirical contributions to two other fields of study

The two mapping studies made empirical contributions to two other fields of study: social and generic organisational theory. Existing social theory is confirmed by empirically revealing that the local housing authorities and, by implication, society in general, are dynamic – there is the coexistence and the fall and rise of managerial ideologies and citizenship concepts (Gramsci, 1971, 1996 edition; Foucault, 1978; Hall, 1988; Clegg, 1998 and Kemeny, 1992). Finding the coexistence of ideas (that society is dynamic) may seem an unimportant contribution, but under forty years ago, Kuhn (1962) was influentially contributing to the paradigm debate from a unitary perspective – one paradigm is replaced by another. Scholars who contribute to the paradigm debate from a pluralist perspective are still being published – Knights (1997), for example, argues that multiple paradigms coexist.

It has been noted that each NPM type symbolises a managerial ideology (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996), NPM types 2 and 4 symbolise citizenship concepts and together they symbolise the existence of multiple ideal types (Doty and Glick, 1994). In the first and main mapping study, the NPM types, managerial ideologies and citizenship concepts were dynamic because they configured in a variety of patterns. NPM type 4 was ranked first in ten of the authorities, NPM type 1 was ranked last in seven and NPM type 3 was most often middle ranked, whilst NPM type 2 was the most

dispersed amongst the rankings. The results of the second and supporting mapping study corroborated the first's results.

Generic organisational theory is contributed to by empirically revealing that there is variation in local authority housing and, also by implication, public service organisation and management (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996). Because the NPM types, especially NPM type 2, vary between and within the local housing authorities, it was revealed that there are organisational hybrids (Mackintosh, Jarvis and Heery, 1994) and there is organisational variety (Lowndes, 1997). Again, the results of the second and supporting mapping study corroborated the first's results. This contribution is consistent with the work of neo-institutionalists who accept that there will be variation within sectors because the internal dynamics of organisations vary (Greenwood and Hinings, 1996).

Two of the three sets of empirical contributions, those derived from the results of the two mapping studies and the case study work, suggest that the NPM is generalisable. Generalisability is evidenced by successfully applying the ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) to local authority housing. This research has gone further by theoretically developing their NPM characterisation and testing it empirically. Both pieces of research reveal that the NPM exists and that it varies between and within cases.

Limitations of this research

In Chapter Four (pp 144-6), the methodological contributions were counterbalanced by a discussion about what the researcher had learnt during the research process. As a

counterbalance to the conceptual, methodological and empirical contributions, the limitations of this research will be discussed. There are two sets of limitations and one set of challenges. In Chapter Four thirteen limitations to mapping (pp 130-1, expanded on in Chapter Five, pp 161-5) and two limitations to the case study work were identified (p142). In Chapter Eight (pp 324-7) the challenges of explaining change were discussed. The limitations and challenges will be summarised in the order that they appeared in the thesis.

Although thirteen limitations to mapping were identified, three will be focused on here because they address the key concerns about data collection and analysis. First, the two mapping studies empirically map and in part explain variation in NPM diffusion in one sector (local authority housing) and at one point in time (the studies capture the state of the market in housing as it geared up to CCT in 1993-4). Second, only twelve local housing authorities were selected because the preparatory phase revealed the time intensive nature of content analysis.

Third and last, there was no evidence for nine NPM indicators which raised three fundamental issues about the NPM typology. By no evidence it is meant that during the coding of the documentary sources no counts were recorded for nine indicators. The three issues are: is there a problem with the indicators?, is there a problem with how the indicators are used (coding)? and is there a problem with the local housing authority context – is it an outlier? It was argued that lack of evidence does not mean that there is a problem with the indicators – there may simply have been no empirical evidence in the two documentary sources. To demonstrate that the indicators are sound, the Westminster case

study (Chapter Seven, pp 258-322) provided empirical evidence for three of the nine indicators – there is evidence, for example, of staff reduction (indicator 2.3.b).

It was also argued that because there is case study evidence, it does not mean that there is a problem with how the NPM indicators are used (coding). In Chapters Four (p107) and Five (p163) the researcher acknowledged that documentary data only contains incomplete accounts of the reality being studied. He countered by stating that documents are a key source of data on geographically scattered events which make interviewing difficult and although they are incomplete accounts they are part of the reality being studied (Hakim, 1993, 1997 edition). He also countered by stating that discourse is part of social change and can be used to reveal invisible ideas maps. This is because different kinds of social change are encoded and expressed in documents. (Mannheim, 1936, 1954 edition; Foucault, 1971, 1977 and 1978; Thompson, 1987; Fairclough, 1989b, 1995 edition and Butler and Keith, 1999.)

In addition, it was argued that mapping and case study evidence for the NPM indicators suggests that there is no problem with the local housing authority context. Indeed, the NPM is generalisable – the ideas generated in the NHS and education by Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) have been successfully applied to local authority housing. Nevertheless, it is also clear that public service contexts differ – there may be outliers. Local government and education provided empirical evidence for another of the nine indicators for which there was no evidence in this study – there is evidence of local pay (indicator 1.4.c) (Joyce and McNulty, 1994; Judd, 1999 and The Times Higher, 1999).

Two limitations to the case study work were identified. First, access was only granted by the Conservative authorities which meant that there were only two case studies. Second, Trafford put up an obstacle in each of the three data types of the triangulated methodology, whilst Westminster put up one over interviewee access. The triangulated methodology collects documentary, ethnographic and interview data.

Both limitations had the consequence of making data collection and analysis partial: Labour authorities may behave differently and access to knowledge about the NPM has been limited. Both limitations were offset, the first by going for critical incidents and the second by resourcefulness. By critical incidents it is meant that Trafford and Westminster are highly visible – they have a high media profile and so are more transparently observable than other authorities (Pettigrew, 1990). By resourcefulness it is meant that although there is no substitute for ethnographic observation, alternative interviewees were selected who supplied other documentary sources.

The discussion about the challenges of explaining change concluded that any attempt at explaining change will be faced by the three challenges of having no detailed knowledge of an individual's motivations, there are no patterns of universal causation and the complexity of change. Nevertheless, the discussion was also concluded that, as Giddens (1991) argues, explaining change is both possible and worthwhile. Explaining change is worthwhile because, as Pettigrew, Ferlie and McKee (1992) state, organisational members are seeking answers about how to manage change. Capitalising on this positive sentiment,

the chapter turns to a discussion about how future research can clarify key issues which have emerged from this research.

Seven recommendations for future research

The conceptual, methodological and empirical contributions will be used to identify seven recommendations for future research. The recommendations will be discussed in the order that they emerged in the thesis.

First, in 1994 Dunleavy and Hood (1994) described the NPM a familiar idea, but also a controversial idea. This is because the NPM can be used as a summary description for the reorganisation of the public sector as a quasi-private sector (ibid). In 2000 the NPM is even more familiar, still controversial and only an emerging field of study. One way of overcoming the controversy is to continue characterising the NPM until greater consensus is reached. This research suggests a NPM typology with indicators because they enable the NPM to be counted, mapped and explained.

Second, because the NPM is only an emerging field of study there is the continuing need for methodological and empirical rigour in NPM research (Barberis, 1998 and Ferlie, 1999). This can in part be achieved by building up a series of data sets over time (longitudinal studies) and across space (comparative studies in other public service, voluntary and global contexts). Building up a series of data sets will address the three outside scrutiny modes of generalisability, reliability and validity.

Building up a series of data sets has three other benefits. It will monitor any changes to the NPM map and continue to update work on quasi-market emergence, the changing patterns of public service work and the challenge to accountability. It will also add extra weight to the empirical contributions which describe the social world as dynamic and varied. In addition, it will add extra weight to the scientific argument expressed in Chapter One (pp 6-7) that variation is an important theme because ever-increasing disorder, or entropy, is inescapable (Johnson, 1999). These research findings expand the application of the tension between order and chaos from the traffic and financial market systems to the public service and organisational systems.

Third, it has been noted that discourse analysis is an underdeveloped research method within generic organisational theory and that discourse can be both a method for revealing strategic change and a strategy for shaping strategic change. In particular, the second and supporting mapping study suggests two insights into the process of cultural governance (Fairclough, 1999): the role of strategic choice and how strategic exploitation is achieved. The role of discourse in organisational theory and the process of cultural governance need to be clarified.

Fourth, the five process studies discussed in Chapter Three (pp 82-8) all agreed that leading change is a key receptivity factor to take into account when managing change and a key transformational indicator for knowing that change has been achieved (Walsh and Spencer, 1990; Pettigrew, Ferlie and McKee, 1992; Rao and Young, 1995; Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996 and Lewis and Glennerster, 1997). These research findings indicate that leading change is a key receptivity factor but does not

emphasise it as the most important (Lewis and Glennester, 1997). Instead, leading change is contextualised amongst nine other factors (Pettigrew, Ferlie and McKee, 1992). Building up more data sets will further develop the notion of receptivity for change by revealing key receptivity factors and their interconnections.

Building up more data sets has two other benefits. Contextualism is a fundamental issue. It is another form of expressing the agency/structure debate – agency suggests that staff can manage change, whilst structure suggests that change is something that happens to staff. Contextualism explicitly seeks to avoid the dualism of there being either agency or structure in change by attempting to combine both approaches (Pettigrew, 1990; Giddens, 1976 and Fenton, 1996). The notion of receptivity can empirically clarify the roles of agency and structure in change.

Contingency theory and current research on new organisational forms can be updated and developed by applying the notion of receptivity. Contingency theory argues that high performing organisations are created by matching organisation design to environmental needs (Lawrence and Lorsch, 1967 and Burns and Stalker, 1968). Unfortunately, all local housing authorities, unless they are exempt, match organisation design (the client/contractor split) to environmental needs (CCT legislation).

Instead, if the notion of receptivity is applied then more sophisticated questions can be asked. Receptivity can be introduced by redefining high performing organisations as high change receptive contexts – in this research, local housing authorities receptive to NPM type 2 and CCT. The issue is now to explain variation in NPM diffusion by going beyond

matching organisation design to environmental needs, the focus of much current research on new organisational forms, by identifying and analysing other deeper processes. These research findings suggest that strategic choice is not exercised through an increasing number of organisational configurations (Mintzberg, 1979b and 1983 and Johnson and Scholes, 1989, 1993 edition) but through the subtlety of implementing a variety of organisational processes.

Fifth, in the conclusions of the Trafford (Chapter Six, pp 254-7) and Westminster (Chapter Seven, pp 318-22) case studies, it was argued that there is the coexistence of two management systems – public service management is located between management by hierarchy and management by contract (Kickert, 1997). In other words, there is a tension between concerns with discipline (Pollitt, 1990, 1993 edition) and top-down decision-making (Whittington, 1993; Ansoff, 1965, 1987 edition and Porter, 1980) and a concern with letting managers manage (Pollitt, Birchall and Putnam, 1998 and 1999 and Terry, 1998).

In Chapter Eight (pp 344-50) it was further argued that the two management systems can be linked to NPM types. Management by hierarchy can be linked to NPM type 1 because this type symbolises Neo-Taylorism and Taylorism is concerned with discipline (Pollitt, 1990, 1993 edition). Management by contract can be linked to NPM type 2 because this type symbolises the market economy (Ferlie, Ashburner, Fitzgerald and Pettigrew, 1996) and the current fashion within the private and public sectors is concerned with downsizing and outsourcing (Hood, 1991, 1994 [with Dunleavy] and 1995a and b; Aucoin, 1995 and Boston, Martin, Pallot and Walsh, 1996).

In Trafford, NPM type 2 or management by contract is superimposed over NPM type 1 or management by command and control. Management by command and control is linked to management by hierarchy because they are both concerned with discipline and top-down decision-making. In other words, CCT is superimposed over an existing management system – management by caution and control. Despite CCT legislation and Trafford being exposed to CCT in April 1997, CCT is underdeveloped in Trafford. (Marnoch, 1997.)

In contrast, in Westminster, NPM type 2 or management by contract is not superimposed over but coexists with NPM type 1 or management by command and control. Indeed, management by contract was implemented through management by command and control. In other words, CCT is not superimposed over but coexists with the existing management system. Privatisation and gentrification were pursued through top-down decision-making at all four levels of change: local councillor, Director, staff and resident.

This pattern, the coexistence of two management systems as a new system is introduced to replace an existing system, has also been empirically revealed by scholars in Canada and Germany. In Canada, Slack and Hinings (1994) examined the process of isomorphic change in “36 national-level sport organizations” (p803). They concluded that “Although the general shift is to a more professional and bureaucratic type of [sport] organization, certain elements of structure do not change as much as others, thus demonstrating resistance to institutional pressures.” (ibid).

In Germany, Greca (2000) also examined the process of isomorphic change, but compared “two reorganisation projects of social services in Munich (Germany) and in the autonomous province ‘Bozen-Sudtirol ‘Bolzano-Alto Adige’” (Italy)” (p1). He concluded that

“A structural isomorphism similar to the structure of the Munich REGSAM and NSM [NPM] projects was introduced in South Tyrol only in the form of an umbrella meta-structure for co-operation. Below this roof, the traditional structures continue to exist and the diversity of legal, economic, historic and normative environments, patterns and orientations is obvious. Compared with the situation in Munich, this can be characterized as meta-structural isomorphism but structural polymorphism.” (p8).

It is acknowledged, then, that the past weighs a heavy hand in determining the present (Pettigrew, Ferlie and McKee, 1992), but these and other research findings (Slack and Hinings, 1994) indicate the continued potency of management by command and control (and management by hierarchy) – why is this so? One answer may be related the idea that decision-making is the creative act which determines the balance between organisational continuity and change. This is important because decision-making becomes an exercise of power (Lukes, 1982 and Alvesson and Willmott, 1996). Management by command and control can assist in delivering the outputs, whatever they might be, that the decision-maker wants. One way of researching this issue might be to conduct case study work in a privatised public service utility – has privatisation reduced the potency of management by command and control and is it being superseded by management by contract?

In the conclusions of the Trafford and Westminster case studies, it was also argued that there is a process of personnel change taking place – the regular supply of new staff with

their histories blending into an organisation with its history which will either positively or negatively influence the organisation's future.

In Trafford, there is a reconfiguration of power relations, for example, at the director level – his retirement in 1997 created new opportunities for the Area Housing Managers. In contrast, in Westminster, the process appears to be more strategic than random and is related to Shirley Porter's retirement in 1992. When she retired, there was also a reconfiguration of power relations, but at the Conservative local councillor and Director levels – the policy shifted from the naïve and sledgehammer approach of denationalisation (promoting home ownership) to the more complex and subtle approach of liberalisation (CCT and externalisation).

Personnel change could, however, have a potential impact on organisational culture. One example is organisational learning. Harrow and Willcocks' (1992) empirical work indicates that learning rests with senior managers. By implication, they then have the responsibility to deepen learning by establishing systems to avert the scenario of "no organizational learning, only change" (ibid, p72). Personnel change could inhibit learning by leading to organisational forgetting (Argote, Beckman and Epple, 1990) and by breaking up networks – is this happening? Networks, through the discourse of partnerships, are viewed by the New Labour government (Hobley, 1999a) and public management academics (Turok, 1999 and Rhodes, 1999) and journals (Hobley, 1999b) as essential to community renewal.

One way of researching this issue might be to ask associated questions whilst conducting the case study work in a privatised public service utility – what is the role of personnel change in determining the relationship between management by command and control and management by contract? These research findings indicate that organisations can be conservative, only changing incrementally, even when personnel changes. In Trafford, for example, although the Director's retirement led to new opportunities for the Area Managers, when the researcher met one of the interviewees by chance at a conference the Chair of the Tenants' and Residents' Federation felt that the organisation had not changed. In Westminster, for instance, although Shirley Porter's retirement led to a reconfiguration of power relations and policy shifted, the policy still followed the same trajectory of pursuing privatisation and gentrification.

Sixth, Ferlie, Ashburner, Fitzgerald and Pettigrew (1996) identify six transformational change indicators and the first, change across the system, already poses a problem. It has been noted that management by command and control has not been replaced by management by contract. These research findings indicate that although the NPM has brought about change, there is a lack of definitive evidence about transformational change. There may be a need to redefine what is meant by transformational change in public service organisation and management and there is a need to gather more evidence to assess whether a transformation of the public services has taken place since the 1970s.

A related issue is locating the boundary between generic organisational theory and public and private sectoral difference. Harrow and Willcocks (1992), for example, find sectoral difference in organisational learning – in the public sector there is outward learning. By

outward learning it is meant the reorganisation of the public sector as a quasi-private sector, for example, through CCT implementation (Dunleavy and Hood, 1994). These research findings contradict their finding – there is both inward and outward learning. Trafford rejects outward learning because it resisted CCT implementation, whilst Westminster does not because it accelerated CCT implementation. The meanings of ‘public’ and ‘private’ might have to be redefined in this era of public/private partnerships because the boundary between the two sectors is becoming increasingly fuzzy.

Seventh and last, these research findings indicate that in local authority housing the location of decision-making may be at the top of the hierarchy. In Trafford decision-making was located with the Director, whilst in Westminster it was located with the Conservative local councillors. Because of the location of decision-making, there appears to be a need not just to train those leading change but to educate them. Management is more than learning relevant skills, knowledge and attitudes, it includes developing critical thinking to consider the implications of work (are there issues of domination and emancipation?) and to adjust decision-making. (Alvesson and Willmott, 1996.)

There is an implication for the delivery of management education. Current students are tomorrow’s leaders and there is a responsibility on those designing courses to introduce some degree of critical thinking, to get those leading change to reflect not just on performance but on the political and ethical significance of managerial control and change. (Ibid.)

In short, one aspect of management is the management of values (Griseri, 1998) – the interconnection between the values of those leading change and the values of the other members of the organisational network. Within local authority housing, the interconnection between the values of the intra-organisation network (local councillors, staff and tenants) is an important issue. These research findings indicate that the values of the Director in Trafford and the Conservative local councillors in Westminster are paramount.

Concluding remarks

Underpinning the recommendations for future research is a concern with the capacity of organisations to better shape strategic change. Strategic change is only shaped because there can be no recipe for organisational change when those leading change are confronted by the complexity of change. Complexity is perhaps best revealed by returning to the three contemporary themes of governance, variation and continuity and their links to the rise and rise of the NPM.

By the rise and rise of the NPM it is meant that social policy and public expenditure in the UK at the macro level has changed. One example of the NPM's impact on UK macro level social policy is CCT (and now Best Value) implementation which has committed local authorities to draw from the best service providers, whether in the public, private or voluntary sector (Local Government Act, DETR Circular, 1999). The impact of CCT implementation is that there is the shift of service delivery from the public to the private sector – Direct Service Organisations are only running just over half of known contracts (56.5%) or 71% of their value, estimated at £1706.7 mpa (Local Government

Management Board, 1997). In the terms of this research, there is variation in the diffusion of NPM type 2 and CCT in local authority housing.

One example of the NPM's impact on UK macro level public expenditure is the arrest in the late 1970s of the tendency of General Government Expenditure to rise faster than General Domestic Product (Office for National Statistics, 1996). The impact of spending arrest is revealed by these research findings – they confirm, for instance, that there are cost reductions, staff reductions, a pay squeeze, the increase in hours worked and the risk of reducing quality of service in local authority housing.

In response to the NPM, these research findings indicate that governance is being delivered through a variety of NPM types, managerial ideologies and citizenship concepts. Governance is also being delivered in either a low change non-receptive context or a high change receptive context for NPM type 2 and CCT. In other words, there is a dynamic and constant struggle between different ideas about governance and the receptivity factors revealed in this research shape the outcome of the struggle.

In short, these research findings indicate that the success of a change effort can be enhanced by using the notion of receptivity for change. In particular, a multi-level analysis needs to be made about the context in which an action will take place (Rawls, 1985 and Pettigrew, 1990 and 1997). In this research, the researcher has focused on the actions of people (local councillors, staff and service users) within welfare institutions (local authority housing) and their interpretations and responses to their economic, political and social environment (changing attitudes to social policy and public expenditure). In terms

of the NPM, and this research has to some extent focused on NPM type 2, this action has either countered or promoted the challenge of NPM type 2.

Finally, to emphasise the human dimension to this research, the three pictures which symbolise the three contemporary themes are returned to. They do more than symbolise themes. They also symbolise that this research is part of a long tradition of thought which has been undertaken to create this best of all possible worlds (Voltaire, quoted at the start of Chapter Two, p15). Lorenzetti's fresco, for example, which personifies Good Government, was finished in 1340. The pictures and this research mark intervals of time in which the nature of justice has been reconstructed and are a reminder that:

“there are ends as well as beginnings, springs of hope at the possibility of putting the past behind us, and meanings to be discerned by setting transient individual lives within a larger temporal frame.” (Habgood, 2000, p23).

This interval of time is characterised by the NPM and, because of this, the NPM is worthy of continued research attention, especially because it is raising fundamental questions about the meaning, delivery and public understanding of justice. In terms of meaning, the NPM is raising questions about whether the state should be a hallowed place or hollowed out. In terms of delivery, the NPM is raising questions about the process of governance, notably, the extent of accountability in local government when service users have a reduced role in decision-making. In terms of public understanding, the NPM is raising questions about whether consumerism is debunking the taken-for-granted value of one person helping another in times of need. Although there is not a political controversy about the NPM, there is disagreement about how public services should be organised and managed.

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APPENDIX 1

PRO-FORMA

Introduction

I am a full-time PhD student at the Centre for Creativity, Strategy and Change, which is a research centre within The University of Warwick's Business School. I am evaluating the variety of changes that have taken place in public service organisation and management since the 1970s by focusing on local authority housing. In particular, I will ask questions about CCT implementation. Everything that you say will be confidential.

General information

1. What is your name and job title?
2. Tell me about your career history
3. What is your role in the department? Who do you deal with? How do you know what is expected of you? (Probe for management style)

Confirming the results of the two mapping studies

(Describe the local housing authority's NPM configuration.)

4. Do you see the department in this configuration? (Probe for an explanation)
5. What were the factors which established this configuration?
(Probe for:
 - environmental pressure: from the government, fashion-setting organisations (consultants and the media), other local housing authorities and agencies
 - internal pressure: from the department's senior managers, local councillors and service users))
6. Apart from the legislation, do you think that the government has constructed mechanisms to encourage CCT implementation? Has the department resisted these pressures?
(Probe for:
 - the attitude of members of the department and the local authority to the government agenda
 - how local autonomy has been exercised
 - alternative systems that the government could have employed or an incoming government could employ))

Explaining variation in NPM diffusion – CCT implementation

Pace of change

7. Tell the history of the introduction of policies associated with competition in the department? Who did what and when?
(Probe for key action points:
 - organisational structure change
 - any changes in the services provided and service delivery
 - any changes to the underlying values of the department)
8. Where did the core ideas come from? Who was leading the changes and when?
(Probe for:
 - individuals and/or small groups promoting or hindering change
 - explanations of success or failure
 - the reconfiguration of power relations, especially the formation of new leadership groups. This may be indicated by the movement of staff)
8. Have the advocates of the core ideas now won the argument? What has diffused to whom and when?
(Probe for:
 - the pattern and timescale or the details of the emergence of any consensus
 - any successful arguments for change and were they based on some form of data analysis
 - the core practices that have changed)
9. What role did other people or organisations play in the adoption of the core ideas? Were they part of the decision-making process? What communications and persuasion efforts were made? How were they received?
(Ask about the role of:
 - local councillors
 - service users
 - agencies)

Depth of change

11. How were the core ideas formalised in the department's rituals and routines?
(Probe for:
 - the inclusion of the core ideas in the policies and procedures of the department
 - the priority of the core ideas in relation to other aims and objectives
 - how consistently the core ideas were implemented in the department)
12. How were the policies and procedures operationalised? What was the departmental reaction to the core ideas as they were introduced? Were they more readily accepted in some parts of the department rather than others?
(Probe for:
 - the role of networks and their impact on the diffusion or acceptance of the core ideas
 - how trust is being built

- the development of new organisational meaning, for example, embedding the changes in rituals and routines and the creation of new departmental stories and symbols)
13. What was the impact of the decentralised areas on achieving change, do the following factors affect change:
- active local efforts on the part of staff
 - the influence of local councillors
 - local service users
 - the local population in general
 - pressures from local agencies

Improving understanding about quasi-market development

14. In general, how has the performance of the department changed over the last ten years?
15. Have some parts of the department performed better than others?
16. In particular, what is the impact of competition on service delivery?
17. Has there been a culture change? Is there an instance which symbolises that such a change has taken place? Is the change permanent or would the removal of key individuals or changes in policy reverse the innovations your department has made?

Language change and the NPM

18. Which of the following words do you and the department use to describe your service users and why? Citizen, customer, people, resident, tenant
19. Although I have been asking questions about CCT implementation, the interview has also been about a broader issue – the rise of the NPM. Have you heard of the NPM? If you have, when and how did you hear about it?

Conclusion

Thank you for your help.

APPENDIX 2

QUANTITATIVE SUMMARY OF THE RESULTS OF THE TWO

MAPPING STUDIES

<i>NPM Type 1: Management by command +control-the Audit Society</i>		<i>Local Housing Authority</i>											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
<i>1.1: Results-oriented government – funding outcomes, not inputs</i>													
<i>1.1. a</i>	Doc1+ Doc2= Count	0 + 8 = 8	1 + 2 = 3	3 + 14 = 17	0 + 6 = 6	0 + 0 = 0	0 + 7 = 7	0 + 1 = 1	0 + 1 = 1	0 + 0 = 0	0 + 2 = 2	3 + 3 = 6	1 + 2 = 3
<i>1.1. b</i>	Doc1+ Doc2= Count	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 2 = 2	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
<i>1.1. c</i>	Doc1+ Doc2= Count	2 + 17 = 19	3 + 7 = 10	4 + 6 = 10	0 + 12 = 12	5 + 17 = 22	3 + 9 = 12	2 + 7 = 9	1 + 0 = 1	0 + 1 = 1	1 + 2 = 3	3 + 1 = 4	2 + 9 = 11
<i>1.1. d</i>	Doc1+ Doc2= Count	37	18	9	19	20	9	2	1	0	1	18	18
<i>1.1. e</i>	Doc1+ Doc2= Count	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>1.1. f</i>	Doc1+ Doc2= Count	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>1.1. g</i>	Doc1+ Doc2= Count	0 + 0 = 0	0 + 7 = 7	0 + 0 = 0	0 + 8 = 8	2 + 1 = 3	2 + 4 = 6	0 + 0 = 0	0 + 1 = 1	0 + 2 = 2	3 + 0 = 3	4 + 2 = 6	2 + 0 = 2
<i>Sub-total</i>		64	38	36	45	47	34	12	4	3	9	34	34

<i>1.2: The construction of general management</i>													
<i>1.2. a</i>	Doc1+ Doc2= Count	2 + 4 = 6	0 + 25 = 25	0 + 19 = 19	1 + 17 = 18	2 + 1 = 3	1 + 6 = 7	1 + 3 = 4	1 + 1 = 2	0 + 2 = 2	1 + 2 = 3	4 + 6 = 10	3 + 8 = 11
<i>1.2. b</i>	Doc1+ Doc2= Count	1 + 1 = 2	0 + 2 = 2	1 + 1 = 2	1 + 3 = 4	2 + 0 = 2	1 + 1 = 2	0 + 1 = 1	0 + 0 = 0	0 + 3 = 3	0 + 0 = 0	0 + 0 = 0	1 + 0 = 1
<i>1.2. c</i>	Doc1+ Doc2= Count	0 + 0 = 0	0 + 1 = 1	0 + 0 = 0	0 + 0 = 0	0 + 3 = 3	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
<i>1.2. d</i>	Doc1+ Doc2= Count	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
<i>Sub-total</i>		8	28	21	22	8	9	5	2	5	3	10	12

NPM Type 1: Management by command +control-the Audit Society		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
1.3: New forms of corporate governance													
1.3. a	Doc1+ Doc2= Count	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 0= 0	1+ 0= 1	0+ 0= 0	1+ 0= 1	1+ 0= 1	0+ 0= 0	1+ 0= 1	0+ 0= 0	1+ 0= 1
1.3. b	Doc1+ Doc2= Count	0+ 9= 9	0+ 9= 9	0+ 10= 10	1+ 12= 13	5+ 10= 15	1+ 7= 8	0+ 1= 1	9+ 0= 9	0+ 4= 4	2+ 2= 4	1+ 1= 2	2+ 0= 2
1.3. c	Doc1+ Doc2= Count	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
1.3. d	Doc1+ Doc2= Count	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
Sub-total		9	13	10	13	16	8	2	10	4	5	2	3

1.4: Contract-based employment													
1.4. a	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
1.4. b	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
1.4. c	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
1.4. d	Doc1+ Doc2= Count	0+ 2= 2	0+ 0= 0	0+ 0= 0	1+ 0= 1	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 1= 1	0+ 0= 0
Sub-total		2	0	0	1	0	2	0	0	0	0	1	0

Total	83	79	67	81	71	53	19	16	12	17	47	49
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NPM Type 2: Management by influence- the contract state		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
2.1: Catalytic government – steering rather than rowing													
2.1.	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 1= 1	0+ 1= 1	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
a													
2.1.	Doc1+ Doc2= Count	6+ 3= 9	1+ 6= 7	3+ 18= 21	1+ 15= 16	13+ 11= 24	4+ 6= 10	0+ 0= 0	10+ 7= 17	0+ 8= 8	1+ 1= 2	9+ 5= 14	3+ 0= 3
b													
2.1.	Doc1+ Doc2= Count	4+ 2= 6	1+ 17= 18	2+ 33= 35	0+ 7= 7	5+ 12= 17	3+ 11= 14	0+ 0= 0	7+ 6= 3	0+ 10= 10	1+ 3= 4	0+ 4= 4	1+ 0= 1
c													
2.1.	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
d													
2.1.	Doc1+ Doc2= Count	0+ 2= 2	0+ 5= 5	0+ 6= 6	0+ 3= 3	2+ 6= 8	2+ 7= 9	0+ 2= 2	0+ 0= 0	0+ 4= 4	1+ 1= 2	0+ 1= 1	0+ 7= 0
e													
Sub-total		17	30	63	26	52	34	4	30	22	8	19	11

2.2: Market regulation													
Creating a competitive environment													
2.2.	Doc1+ Doc2= Count	0+ 17= 17	0+ 11= 11	1+ 23= 24	0+ 17= 17	1+ 3= 4	0+ 3= 3	0+ 19= 19	2+ 4= 6	0+ 13= 13	0+ 4= 4	0+ 7= 7	1+ 8= 9
a													
2.2.	Doc1+ Doc2= Count	16	14	19	45	11	8	23	26	17	0	9	18
b													
2.2.	Doc1+ Doc2= Count	0+ 0= 0	1+ 0= 1	9+ 8= 17	0+ 69= 69	0+ 5= 5	3+ 14= 17	6+ 1= 7	0+ 2= 2	0+ 1= 1	0+ 3= 3	4+ 7= 11	0+ 1= 1
c													
Maintaining and improving service standards													
2.2.	Doc1+ Doc2= Count	3+ 0= 3	1+ 6= 7	3+ 5= 8	2+ 2= 4	2+ 4= 6	2+ 0= 2	0+ 0= 0	1+ 2= 3	0+ 0= 0	2+ 0= 2	4+ 0= 4	3+ 2= 5
d													
2.2.	Doc1+ Doc2= Count	0	0	0	0	0	0	0	0	0	0	1	0
e													
Sub-total		36	33	68	135	26	30	49	37	31	9	32	33

<i>NPM Type 2: Management by influence- the contract state</i>		<i>Local Housing Authority</i>											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
2.3: Downsizing													
2.3. a	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	1+ 0= 1	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
2.3. b	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
2.3. c	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	1+ 0= 1	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
2.3. d	Doc1+ Doc2= Count	0+ 0= 0	0+ 0= 0	1+ 1= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
Sub-total		0	0	4	0	1	0	2	0	0	0	0	0

2.4: Management by influence													
2.4. a	Doc1+ Doc2= Count	0+ 1= 1	0+ 0= 0	0+ 1= 1	0+ 0= 0	2+ 3= 5	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
2.4. b	Doc1+ Doc2= Count	External	External	External	External	External	External	External	External	External	External	External	External
2.4. c	Doc1+ Doc2= Count	0+ 0= 0	0+ 2= 2	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 1= 1	0+ 0= 0	0+ 0= 0	0+ 0= 0	0+ 0= 0
Sub-total		1	2	1	0	5	3	0	1	0	0	0	0

Total	54	65	136	161	84	67	55	68	53	17	51	44
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<i>NPM Type 3: Management by staff inclusion-the excellence school</i>		<i>Local Housing Authority</i>											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
3.1: Top-down change or mission driven government – transforming rule-driven organisations													
3.1.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
a	Doc2=	0=	0=	2=	1=	0=	1=	0=	0=	1=	0=	0=	0=
	Count	0	0	2	1	0	1	0	0	1	0	0	0
3.1.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
b	Doc2=	0=	0=	0=	1=	0=	0=	0=	1=	1=	0=	1=	0=
	Count	0	0	0	1	0	0	0	1	1	0	1	0
3.1.	Doc1+	0+	4+	1+	0+	0+	2+	0+	1+	0+	0+	0+	1+
c	Doc2=	5=	1=	1=	0=	3=	2=	0=	2=	1=	0=	0=	1=
	Count	5	5	2	0	3	4	0	3	1	0	0	2
3.1.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
d	Doc2=	0=	0=	0=	0=	0=	0=	0=	1=	0=	0=	0=	0=
	Count	0	0	0	0	0	0	0	1	0	0	0	0
3.1.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
e	Doc2=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=
	Count	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total		5	5	4	2	3	5	0	5	3	0	1	2

3.2: Bottom-up change or changing the role of top management – beyond systems to people													
3.2.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
a	Doc2=	0=	0=	0=	0=	0=	0=	2=	0=	0=	0=	0=	0=
	Count	0	0	0	0	0	0	2	0	0	0	0	0
3.2.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
b	Doc2=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=
	Count	0	0	0	0	0	0	0	0	0	0	0	0
3.2.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
c	Doc2=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=	0=
	Count	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total		0	0	0	0	0	0	2	0	0	0	0	0

3.3: Customer-driven government – meeting the needs of the service user, not the bureaucracy													
3.3.	Doc1+	0+	3+	3+	0+	15+	4+	0+	4+	0+	1+	2+	2+
a	Doc2=	14=	13=	25=	9=	35=	13=	8=	7=	5=	1=	4=	7=
	Count	14	16	8	9	50	17	8	11	5	2	6	9
3.3.	Doc1+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+	0+
b	Doc2=	0=	0=	0=	1=	1=	1=	0=	0=	0=	0=	0=	0=
	Count	0	0	0	1	1	1	0	0	0	0	0	0
Sub-total		14	16	28	10	51	18	8	11	5	2	6	9

NPM Type 3: Management by staff inclusion-the excellence school	Local Housing Authority											
	Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage

3.4: Enterprising government – earning rather than spending

3.4. a	Doc1+ Doc2= Count	6 + 152 = 158	10 + 213 = 223	25+ 232 = 257	15 + 219 = 234	36 + 232 = 268	16 + 63 = 79	7 + 82 = 89	40 + 115 = 155	2 + 169 = 171	17 + 15 = 32	31 + 79 = 119	17 + 70 = 87
3.4. b	Doc1+ Doc2= Count	0 + 1 = 1	0 + 1 = 1	0 + 2 = 2	0 + 1 = 1	2 + 4 = 6	0 + 2 = 2	0 + 1 = 1	0 + 1 = 1	0 + 0 = 0	0 + 0 = 0	1 + 3 = 4	0 + 1 = 1
3.4. c	Doc1+ Doc2= Count	0 + 6 = 6	0 + 3 = 3	0 + 1 = 1	0 + 5 = 5	1 + 9 = 10	0 + 3 = 3	0 + 7 = 7	0 + 2 = 2	0 + 6 = 6	0 + 1 = 1	1 + 2 = 3	1 + 11 = 12
3.4. d	Doc1+ Doc2= Count	0 + 4 = 4	0 + 6 = 6	1 + 3 = 14	0 + 2 = 2	1 + 6 = 7	0 + 9 = 9	1 + 5 = 6	1 + 14 = 15	2 + 6 = 8	2 + 17 = 19	0 + 25 = 25	1 + 11 = 12
Sub-total		169	233	274	242	291	93	103	173	185	52	142	112

3.5: Anticipatory government – prevention rather than cure

3.5. a	Doc1+ Doc2= Count	0	5	1	2	1	4	1	5	0	1	0	0
3.5. b	Doc1+ Doc2= Count	1 + 66 = 67	0 + 48 = 48	1 + 19 = 20	1 + 34 = 35	7 + 62 = 69	7 + 35 = 42	0 + 23 = 23	1 + 19 = 20	0 + 18 = 18	5 + 15 = 20	2 + 22 = 24	0 + 10 = 10
Sub-total		67	53	21	37	70	46	24	25	18	21	24	10

Total	255	307	327	291	415	162	137	214	211	75	173	133
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NPM Type 4: Management by social inclusion-the Third Way		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
4.1: Transformations and predicaments													
4.1. a	Doc1+ Doc2= Count	1	20	8	19	2	3	4	3	5	1	9	15
4.1. b	Doc1+ Doc2= Count	0 + 17 = 17	0 + 11 = 11	2 + 34 = 36	0 + 9 = 9	0 + 11 = 11	1 + 7 = 8	0 + 16 = 16	1 + 11 = 12	0 + 15 = 15	0 + 0 = 20	0 + 4 = 4	2 + 9 = 11
4.1. c	Doc1+ Doc2= Count	0 + 0 = 0	1 + 1 = 2	0 + 0 = 0	0 + 0 = 0	0 + 1 = 1	4 + 2 = 6	0 + 3 = 3	0 + 0 = 0	0 + 0 = 0	1 + 4 = 5	1 + 0 = 1	1 + 3 = 4
4.1. d	Doc1+ Doc2= Count	0 + 10 = 10	0 + 32 = 32	0 + 6 = 6	0 + 31 = 31	2 + 15 = 17	3 + 8 = 11	0 + 4 = 4	1 + 16 = 17	0 + 27 = 27	2 + 5 = 7	1 + 5 = 6	0 + 4 = 4
Sub-total		28	65	50	59	31	28	27	32	47	33	20	34

4.2: Accountability through community governance – empowering rather than serving													
4.2. a	Doc1+ Doc2= Count	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 1 = 1	1 + 1 = 2	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.2. b	Doc1+ Doc2= Count	15 + 21 = 36	2 + 27 = 29	8 + 20 = 28	6 + 31 = 37	21 + 53 = 74	15 + 20 = 35	0 + 10 = 10	10 + 8 = 18	0 + 21 = 21	7 + 3 = 10	24 + 7 = 31	22 + 19 = 41
4.2. c	Doc1+ Doc2= Count	0 + 2 = 2	0 + 3 = 3	0 + 3 = 3	0 + 1 = 1	0 + 5 = 5	0 + 2 = 2	0 + 0 = 0	1 + 2 = 3	0 + 6 = 6	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.2. d	Doc1+ Doc2= Count	2 + 3 = 5	1 + 2 = 3	1 + 2 = 3	1 + 2 = 3	2 + 4 = 6	0 + 1 = 1	0 + 0 = 0	2 + 1 = 3	0 + 8 = 8	0 + 0 = 0	0 + 0 = 0	1 + 1 = 2
Sub-total		43	35	34	41	86	40	10	24	35	10	31	43

4.3: Accountability through elected representatives													
4.3. a	Doc1+ Doc2= Count	0 + 0 = 0	0 + 0 = 0	0 + 2 = 2	0 + 0 = 0	0 + 1 = 1	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 1 = 1	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.3. b	Doc1+ Doc2= Count	4 + 9 = 13	2 + 0 = 2	2 + 7 = 9	4 + 24 = 28	2 + 4 = 6	5 + 6 = 11	0 + 6 = 6	0 + 1 = 1	0 + 7 = 7	2 + 16 = 18	0 + 4 = 4	5 + 3 = 8
4.3. c	Doc1+ Doc2= Count	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.3. d	Doc1+ Doc2= Count	0 + 0 = 0	0 + 4 = 4	1 + 1 = 2	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 1 = 1	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
Sub-total		13	6	13	28	7	11	7	1	8	18	4	8

NPM Type 4: Management by social inclusion-the Third Way		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South Northamptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
4.4: Designing the public service organisation													
4.4. a	Doc1+ Doc2= Count	0 + 0 = 0	0 + 2 = 2	0 + 0 = 0	0 + 0 = 0	2 + 0 = 2	1 + 1 = 2	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.4. b	Doc1+ Doc2= Count	13 + 19 = 32	3 + 34 = 37	6 + 16 = 22	5 + 2 = 27	16 + 33 = 49	8 + 21 = 29	0 + 8 = 8	7 + 9 = 16	0 + 18 = 18	5 + 1 = 6	22 + 8 = 30	15 + 12 = 27
4.4. c	Doc1+ Doc2= Count	1 + 0 = 1	1 + 2 = 3	0 + 3 = 3	0 + 1 = 1	0 + 0 = 0	0 + 4 = 4	0 + 0 = 0	0 + 0 = 0	1 + 0 = 1	0 + 0 = 0	0 + 0 = 0	0 + 0 = 0
4.4. d	Doc1+ Doc2= Count	1 + 6 = 7	0 + 6 = 6	0 + 4 = 4	0 + 8 = 8	1 + 8 = 9	3 + 3 = 6	0 + 1 = 1	0 + 3 = 3	0 + 4 = 4	0 + 1 = 1	1 + 2 = 3	0 + 0 = 0
Sub-total		40	48	29	36	60	41	9	19	23	7	33	27

Total	124	154	126	164	184	120	53	76	113	68	88	112
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Grand Total	516	605	656	697	754	402	264	374	389	177	359	338
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Grand Total (without 3.4.a)	358	382	399	463	486	323	175	219	218	145	249	251
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5 Key Word Indicators		Local Housing Authority											
		Trafford	Coventry	Westminster	Redbridge	Camden	Waltham Forest	South North-amptonshire	Macclesfield	Carlisle	North Warwickshire	South Bedfordshire	Stevenage
Weights	Doc1+ Doc2= 'A4' Pages	12 + 73 = 85	12 + 85 = 97	16 + 54 = 70	8 + 82 = 90	23 + 80 = 103	15.5 + 67 = 82.5	12 + 32 = 44	16 + 35 = 51	2 + 24 = 26	8 + 15 = 23	8 + 18 = 26	8 + 36 = 44
Citizen	Doc1+ Doc2= Count Weig- hted Count	0 + 0 = 0 0.0	0 + 2 = 2 0.02 1	0 + 0 = 0 0.0	0 + 0 = 0 0.0	2 + 0 = 2 0.01 9	1 + 1 = 2 0.02 4	0 + 0 = 0 0.0	0 + 0 = 0 0.0	0 + 0 = 0 0.0	0 + 0 = 0 0.0	0 + 0 = 0 0.0	0 + 0 = 0 0.0
Customer	Doc1+ Doc2= Count Weig- hted Count	0 + 0 = 0 0.0	1 + 0 = 1 0.01 03	9 + 8 = 17 0.02 429	0 + 69 = 69 0.76 67	0 + 5 = 5 0.04 85	3 + 14 = 17 0.20 61	6 + 1 = 7 0.15 91	0 + 2 = 2 0.03 92	0 + 1 = 1 0.03 85	0 + 3 = 3 0.13 04	4 + 7 = 11 0.42 31	0 + 1 = 1 0.02 27
People	Doc1+ Doc2= Count Weig- hted Count	2 + 105 = 107 1.26	16 + 132 = 148 1.53	1 + 27 = 28 0.40	0 + 59 = 59 0.66	15 + 98 = 113 1.09	10 + 40 = 50 0.61	2 + 20 = 22 0.50	10 + 20 = 30 0.59	8 + 54 = 62 2.39	8 + 3 = 11 0.48	9 + 3 = 1 0.46	9 + 3 = 12 0.27
Resident	Doc1+ Doc2= Count Weig- hted Count	1 + 25 = 26 0.30 6	0 + 9 = 9 0.09 3	13 + 153 = 166 2.37 1	4 + 58 = 62 0.68 9	2 + 31 = 33 0.32 0	6 + 25 = 31 0.37 6	0 + 2 = 2 0.04 6	4 + 10 = 14 0.27 6	0 + 18 = 18 0.69 2	3 + 2 = 5 0.21 7	2 + 1 = 3 0.11 5	4 + 4 = 8 0.18 2
Tenant	Doc1+ Doc2= Count Weig- hted Count	38 + 81 = 119 1.40	32 + 116 = 148 1.53	25 + 54 = 79 1.11	25 + 96 = 121 1.34	136 + 139 = 275 2.67	82 + 107 = 189 2.29	19 + 28 = 47 1.07	47 + 30 = 77 1.51	8 + 64 = 7 2.77	22 + 26 = 48 2.09	33 + 6 = 39 1.50	32 + 31 = 63 1.43